



**NORISH**

**ANNUAL  
REPORT & ACCOUNTS  
2008**

## ANNUAL REPORT 2008

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## FINANCIAL CALENDAR 2009

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Announcement of preliminary results	6 March
Annual Report available on website	31 March
Annual General Meeting	6 May
Announcement of interim results	4 September

## CORPORATE PROFILE

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### 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](mailto:norman.hatcliff@norish.com)

Northern Industrial Estate  
Bury St Edmunds  
Suffolk IP32 6NL  
Tel: 01293 862498  
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)
- Gillingham, Kent (Cold store)
- Leeds, Yorkshire (Cold store)
- Shipton by Beningbrough, York (Ambient warehouse)

## FINANCIAL HIGHLIGHTS

	2008 £'000	2007 £'000
Revenue - Continuing operations	9,693	10,994
Operating profit	787	1,026
Profit before tax	111	617
Basic (loss)/earnings per share	(4.2)p	6.0p
Dividend paid per share		
- interim for current year	Nil	Nil
- final for previous year	€1.25c	Nil
	-----	-----
	€1.25c	Nil
Gearing – excluding goodwill (see Note 1 below)	130%	82%
<b>Capital employed</b>	<b>£'000</b>	<b>£'000</b>
Shareholders' funds	6,390	6,816
Net debt	8,048	5,424
	-----	-----
	14,438	12,240
	=====	=====

### Note 1

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

## CHAIRMAN'S STATEMENT

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I am pleased to present the Annual Report of Norish Plc for 2008.

### Results

Norish plc results for the year ended 31<sup>st</sup> 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.

### Financial Strength

Shareholders funds at 31 December 2008 were £6.4m compared with £6.8m at 31 December 2007. Net debt at 31 December 2008 was £8m, compared with a net debt of £5.4m at 31 December 2007. The increase in net debt results mainly from the Gillingham cold store purchase in March 2008. Our un-drawn banking facilities at 31 December 2008 was £1.3m (2007: £0.6m).

### Operations

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.

### Acquisition

During March 2008 we completed the purchase of a cold store at Gillingham, Kent for £3.1m. 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 £2m.

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

## CHAIRMAN'S STATEMENT (*CONTINUED*)

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### **Dividend**

The board recommends the payment of a final dividend of €1.25c per share. This will be paid on the 22<sup>nd</sup> May 2009 to those shareholders on the register on the 24<sup>th</sup> 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.

### **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 2008.



**Ted O'Neill**  
**Chairman**  
**5 March 2009**

NORISH

## FINANCIAL REVIEW

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### 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.

### Revenue and operating profit

Revenue from operations decreased from £11.0m to £9.7m. The group operating profit from operations decreased from £1.0m to £0.8m, representing 8.2% (2007 – 9%) of revenue.

For our operations, the number of pallets into our sites increased by 4% to 327,389, blast freezing volumes decreased 26% to 43,044 pallets and closing customer stocks at the year end decreased by 1% to 47,721 pallets. Our average energy price per unit decreased by 8% in 2008 and the number of units consumed decreased by 2% due partly to the decreased activity in blast freezing volumes at the sites. Profitability was impacted by the significant drop in blast freezing volumes.

### Key ratios and depreciation

Basic earnings and adjusted earnings per share decreased to a negative 4.2p, compared with 6.0p in 2007.

Year-end gearing (after eliminating goodwill) was 130% compared with 82% at 31 December 2007.

Depreciation totalled £0.5m (2007: £0.5m).

### Cash position

The Group's operating net cash inflow for the year was £1.0m (2007: £1.1m). Net debt increased by £2.6m during the year to £8.0m. 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 REVIEW (CONTINUED)**

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### **Financial risk management**

The Group's financial instruments comprise borrowings, cash, derivatives and various items, such as trade receivables, trade payables 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.

### **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 6.09% until 2 March 2009 and £3.0m fixed at a rate of 6.51% until 5 March 2011 by the use of interest rate swaps inclusive of a bank margin of 1.2%, with £1.15 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, 90% 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 2009**

## SHAREHOLDER INFORMATION

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### Shareholder analysis at 5 March 2009

Number of shares	Number of accounts	Percentage of accounts	Number of shares (000)	Percentage of shares
1 – 1,000	128	46.1	59	0.7
1,001 – 10,000	92	33.1	382	4.5
10,001 – 100,000	44	15.8	1,559	18.4
Over 100,000	14	5.0	6,466	76.4
<b>Total</b>	<b>278</b>	<b>100.0</b>	<b>8,466</b>	<b>100.0</b>

### Share price data (€)

	High	Low	31 December
Year ended 31 December 2008	54p (€0.74)	40p (€0.42)	40p (€0.42)
Year ended 31 December 2007	71p (€0.97)	54p (€0.74)	54p (€0.74)

The market capitalisation of Norish plc at 31 December 2008 was £3.4m (€3.6m) compared with £4.6m (€6.3m) at 31 December 2007, and £2.9m (€3.2m) at 5 March 2009.

### 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](mailto: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](http://www.computershare.com) Access to the site is controlled by a system of security checks.

## **SHAREHOLDER INFORMATION (CONTINUED)**

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### **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.

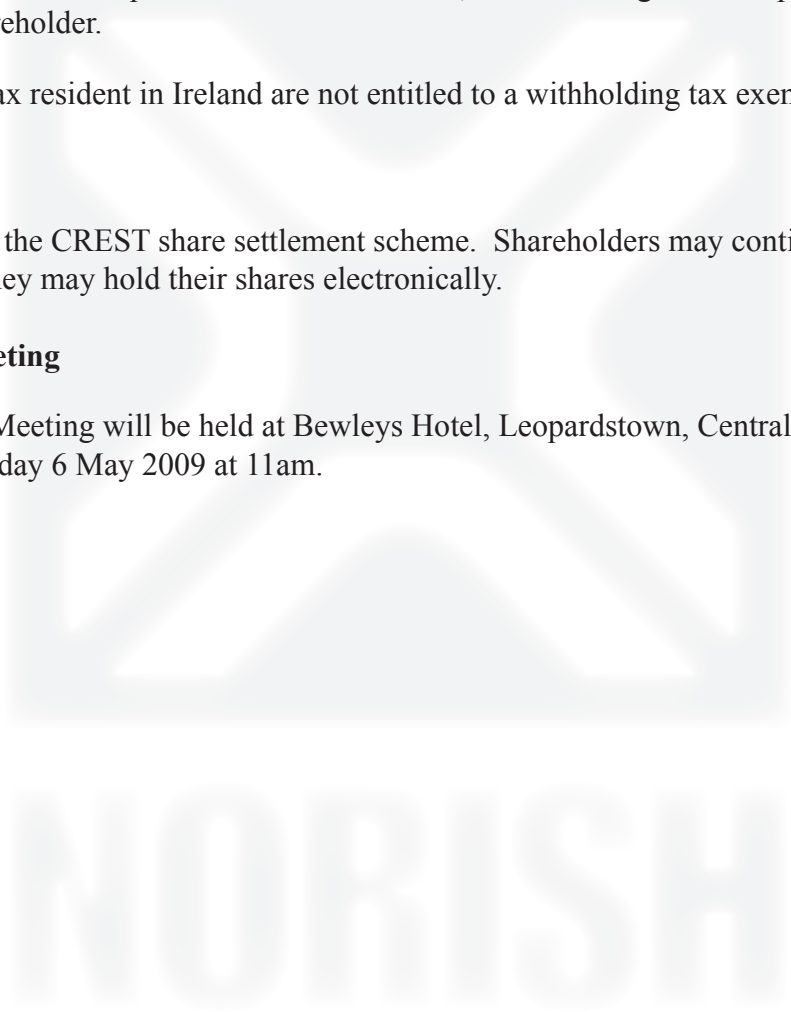
Individuals who are tax resident in Ireland are not entitled to a withholding tax exemption.

### **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 Wednesday 6 May 2009 at 11am.



## BOARD OF DIRECTORS

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### Executive Directors

#### *Managing Director*

*Norman Hatcliff (54)* 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 (44)* 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 previous experience in the travel industry.

### Non-Executive Directors

#### *Chairman*

*Ted O'Neill (57)* was appointed to the board and became Chairman in 2003. He is also Founder Shareholder and chairman of Accommodation and Building Systems Ltd a company based in Ireland.

*Torgeir Mantor (52)* 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 (61)* 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 Chief Executive Of Fruit Of The Loom International, Chairman of the International Fund for Ireland and the Enterprise Equity Venture Capital Group.

*Raymond French (63)* was appointed to the board in 2007. He is also a Director of the funds of Global Asset Management, (GAM) and Anglo Irish Bank Corporation (International) Ltd.

## CORPORATE INFORMATION

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### **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**

6<sup>th</sup> Floor  
South Bank House  
Barrow St  
Dublin 4

### **Operational Head Office**

Northern Industrial Estate  
Bury St Edmunds  
Suffolk  
IP32 6NL

### **Solicitors**

Mason Hayes & Curran  
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**

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The Directors present their Annual Report together with the audited financial statements of the Group for the year ended 31 December 2008.

### **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.

Generally, the business has had a good start in 2009. Our focused approach to Sales and Business Development has continued to provide opportunities for Norish to develop stability in the customer base and to provide stability in the business going forward. The operating costs of the business are under control with continuous efforts being made to improve efficiencies whilst retaining high service levels.

A reduced level of occupancy at our Wrexham site is, to some extent, a challenge to the business. A concentrated marketing effort initiated by the Management Team is expected to deliver new opportunities for the site during Q1/09.

Details of the Group's subsidiary undertakings are set out in Note 26 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 4 to 7.

### **Dividends**

No interim dividend was paid during the year.

The Directors recommend the payment of a final dividend of €1.25c in respect of 2008, unchanged from the previous year. This will be paid on the 22<sup>nd</sup> May 2009 to those shareholders on the register at the 24<sup>th</sup> April 2009. Under the Norish Twin share scheme, shareholders can opt to receive dividends in sterling by making an election with the registrars before the 24<sup>th</sup> April 2009. The sterling equivalent of €1.25c will be converted at the exchange rate prevailing on the 8<sup>th</sup> May 2009.

### **Post Balance Sheet Events**

The group has agreed a lease for a 34,600 sq ft (3,100 pallets) premises at Leeds at an initial rent of £15,000 per annum with an option to purchase for £1m within 12 months.

### **Transactions with Related Parties**

Consultancy services totalling £7,000 were provided by a relative of a director during the year.

## **DIRECTORS' REPORT (*CONTINUED*)**

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### **Creditor payment policy**

It is the company's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions.

The average supplier payment terms for 2008 for the Group and the main subsidiary Norish Ltd, was 35 days. This was calculated by taking the year end creditors listing as a percentage of the total supplies and services invoiced during the year, multiplied by 365 days.

### **Key performance indicators**

For our operations, the number of pallets into our sites increased by 4% to 327,389, blast freezing volumes decreased 26% to 43,044 pallets and closing customer stocks at the year end decreased by 1% to 47,721 pallets. Our average energy price per unit decreased by 8% in 2008 and the number of units consumed decreased by 2% due partly to the decreased activity in blast freezing volumes at the sites. Profitability was impacted by the significant drop in blast freezing volumes.

### **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 are involved in the day-to-day management of the Group.

The names of the Group's Directors at 31 December 2008 together with brief biographical notes are set out on page 10.

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 Ted O'Neill retires, and being eligible, offers himself for re-election.

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

All directors have third party indemnity insurance in place.

## DIRECTORS' REPORT (*CONTINUED*)

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### 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 2008 (including their respective family interests) in the share capital of Norish plc were as follows:

	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>Ordinary Shares</b>	<b>Ordinary Shares</b>
Ted O'Neill	<b>569,000</b>	<b>569,000</b>
Norman Hatcliff	<b>18,903</b>	<b>10,000</b>
Aidan Hughes	<b>193,340</b>	<b>193,340</b>
Torgeir Mantor *	<b>12,600</b>	<b>12,600</b>
Willie McCarter	-	-
Raymond French**	<b>40,000</b>	<b>40,000</b>

\* *Torgeir Mantor is a director of T. B. Mantor AS, which also holds 763,017 (2007: 763,017) shares and is owned by the Mantor family.*

\*\* *Raymond French is a director of Zeta Beta 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 2008	Cancelled/ Lapsed in year	Granted in year	31 Dec 2008	Exercise Price	Exercisable from	Expiry date
Norman Hatcliff	5,000	-	-	5,000	€1.30c	Mar 2003	Mar 2010
	3,000	-	-	3,000	€0.75c	May 2004	May 2011
	140,000	(140,000)	-	-	58p	Sept 2010	Sept 2017
	-	-	140,000	140,000	58p	June 2011	June 2018
<b>Total</b>	<b>148,000</b>	<b>(140,000)</b>	<b>140,000</b>	<b>148,000</b>			
Aidan Hughes	3,750	(3,750)	-	-	€2.22c	Feb 2001	Feb 2008
	5,000	-	-	5,000	€1.55c	Mar 2002	Mar 2009
	3,000	-	-	3,000	€0.75c	May 2004	May 2011
	110,000	(110,000)	-	-	58p	Sept 2010	Sept 2017
	-	-	110,000	110,000	58p	June 2011	June 2018
<b>Total</b>	<b>121,750</b>	<b>(113,750)</b>	<b>110,000</b>	<b>118,000</b>			

The mid-market price of an ordinary share on 31 December 2008 was 40p (€0.42) and the price range during the year was between 54p (€0.74) and 40p (€0.42). 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 2008 and the date of this Report.

A modification was carried out on the 28th June 2008 so that the shares would qualify under the Enterprise Management Incentive Scheme (EMI). The original shares issued under an HMRC unapproved company share option scheme were cancelled and new shares were issued to replace these under the EMI scheme. (Note 20)

### 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.

## DIRECTORS' REPORT (*CONTINUED*)

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### Substantial shareholdings

At 5 March 2009 the Company had been advised of the following shareholdings in excess of 3% of its issued share capital:

	<b>Number of shares</b>	<b>Percentage held</b>
Zeta Beta	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	665,353	7.86
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.

### Subsidiary companies

The statutory information required by sub-sections (4) and (5) of Section 158 of the Companies Act, 1963 is presented in Note 26 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 2008 the Company issued a total of 1,252,237 ordinary options. In 2008 the Company issued 250,000 share options.

To date 46,000 options have been exercised and 690,237 options have expired. At 31 December 2008 options were outstanding over 266,000 ordinary shares.

## **DIRECTORS' REPORT (*CONTINUED*)**

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### **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**

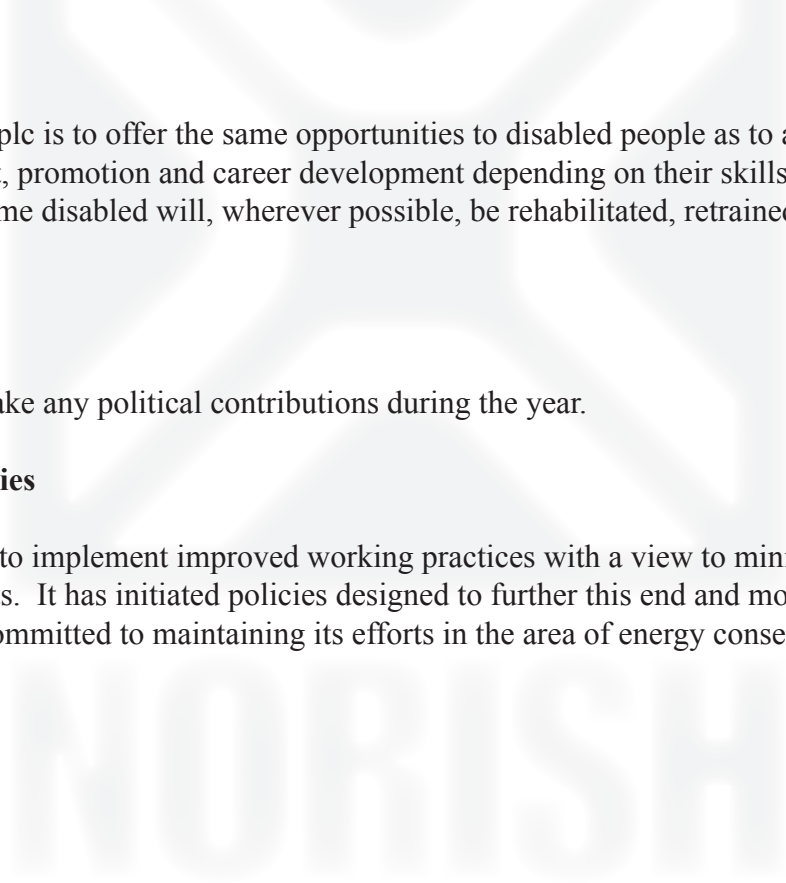
The policy of Norish plc is to offer the same opportunities to disabled people as to all employees in respect of recruitment, promotion and career development depending on their skills and abilities. Employees who become disabled will, wherever possible, be rehabilitated, retrained and redeployed if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

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### **Corporate governance**

The Directors are committed to the revised Combined Code on Corporate Governance, published in 2006 ("the 2006 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 2006 Combined Code are applied in Norish plc.

### **Board of Directors**

The Board of Directors comprises a 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*)

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### 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 2008 are as follows:

#### *Table of attendance*

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

No nomination meetings were held during the year.

### 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 11. 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 2006 Combined Code. In designing schemes of performance-related remuneration, the Remuneration Committee has given full consideration to the provisions in Schedule A to the 2006 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 24 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](http://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*)

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### 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: Revised 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*)**

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### **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 9 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 2008 with all provisions of the Principles of Good Governance and Code of Best Practice as contained in the 2006 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*)

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### 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.

### Auditor

In accordance with Section 160(2) of the Companies Act 1963 the auditors, Grant Thornton, Registered Auditors, will continue in office.

On behalf of the board:



T.J. O'Neill  
*Chairman*



N.A Hatcliff  
*Managing Director*

5 March 2009

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

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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, and the AIM rules. 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.

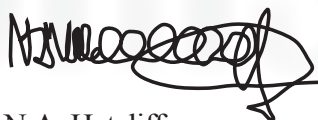
The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 1963 to 2006.

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'Neill  
*Chairman*



N.A. Hatcliff  
*Managing Director*

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORISH PLC**

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We have audited the group and parent company financial statements (the 'financial statements') of Norish plc for the year ended 31<sup>st</sup> December 2008 including the Consolidated Income and Expense, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and 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 group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, and the parent company financial statements 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 sheet 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 SHAREHOLDERS OF NORISH PLC

(CONTINUED)

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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 the Corporate Profile and Information, the Financial Highlights, the Directors' Report, the Chairman's Statement, Shareholder and Board of Directors information, the Financial Review and the Historical Financial Summary. 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 31<sup>ST</sup> December 2008 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 31<sup>ST</sup> December 2008; 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 31<sup>ST</sup> December 2008 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 Ireland**  
**5<sup>th</sup> March 2009**

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008


	Notes	2008 £'000	2007 £'000
<b>Continuing operations</b>			
Revenue	5	9,693	10,994
Cost of sales		(8,958)	(9,699)
<b>Gross profit</b>		<b>735</b>	<b>1,295</b>
Other income	6	326	-
Administrative expenses		(274)	(269)
<b>Operating profit from continuing operations</b>		<b>787</b>	<b>1,026</b>
Finance expenses	8	(696)	(437)
Finance income	8	20	28
<b>Profit on continuing activities before taxation</b>	9	<b>111</b>	<b>617</b>
Income taxes – Corporation tax	10	342	(253)
Income taxes – Deferred tax	10	(809)	141
<b>(Loss)/Profit for the period attributable to shareholders</b>		<b>(356)</b>	<b>505</b>
<b>Earnings per share expressed in pence per share:</b>			
From continuing operations			
- basic	11	(4.2)p	6.0p
- diluted	11	(4.2)p	6.0p

The notes on page 30 to 57 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 5<sup>th</sup> March 2009 by:



T.J. O'Neill  
Chairman



N.A. Hatcliff  
Managing Director

# CONSOLIDATED BALANCE SHEET

at 31 December 2008

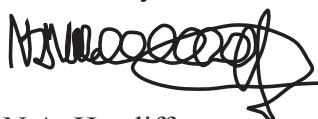
	Notes	2008 £'000	2007 £'000
<b>Assets</b>			
<b>Non current assets</b>			
Goodwill	12	216	216
Property, plant and equipment	13	15,285	12,501
		<b>15,501</b>	<b>12,717</b>
<b>Current assets</b>			
Trade and other receivables	14	2,690	2,438
Financial assets: Fair value of interest rate swaps	15	-	29
Current tax asset		236	-
Cash and cash equivalents		15	1,076
<b>Total assets</b>		<b>2,941</b>	<b>3,543</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(2,068)	(2,159)
Financial liabilities: Fair value of interest rate swaps	15	(198)	-
Current tax liabilities		-	(262)
Borrowings	17	(796)	(500)
		<b>(3,062)</b>	<b>(2,921)</b>
<b>Net current(liabilities)/ assets</b>		<b>(121)</b>	<b>622</b>
<b>Non-current liabilities</b>			
Borrowings	17	(7,267)	(6,000)
Provisions	18	(391)	-
Deferred tax	19	(1,332)	(523)
		<b>(8,990)</b>	<b>(6,523)</b>
<b>Net assets</b>		<b>6,390</b>	<b>6,816</b>
<b>Equity</b>			
Share capital	20	1,493	1,493
Share premium account		3,156	3,156
Capital conversion reserve fund		23	23
Retained earnings		1,718	2,144
<b>Equity attributable to equity holders of the parent</b>		<b>6,390</b>	<b>6,816</b>

The notes on page 30 to 57 are an integral part of these consolidated financial statements.

Approved on behalf of the board on 5<sup>th</sup> March 2009 by:



T.J. O'Neill  
Chairman



N.A. Hatcliff  
Managing Director

## 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
<b>At 1 January 2007</b>	<b>1,493</b>	<b>3,156</b>	<b>23</b>	<b>1,625</b>	<b>6,297</b>
Net profit for the year	-	-	-	505	505
<b>Total recognised income and expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>505</b>	<b>505</b>
Credit in respect of employee share schemes	-	-	-	14	14
<b>At 31 December 2007</b>	<b>1,493</b>	<b>3,156</b>	<b>23</b>	<b>2,144</b>	<b>6,816</b>
Net profit for the year	-	-	-	(356)	(356)
<b>Total recognised income and expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(356)</b>	<b>(356)</b>
Credit in respect of employee share schemes	-	-	-	14	14
Equity dividends paid (recognised directly in equity)	-	-	-	(84)	(84)
<b>At 31 December 2008</b>	<b>1,493</b>	<b>3,156</b>	<b>23</b>	<b>1,718</b>	<b>6,390</b>

The notes on page 30 to 57 are an integral part of these consolidated financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2008

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

The notes on page 30 to 57 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 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 AIM rules.

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)*

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### Forthcoming accounting standards

- 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)
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements - Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (effective 1 July 2009)
- Improvements to IFRSs (effective 1 January 2009 other than certain amendments effective 1 July 2009)
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)
- IFRS 8 Operating Segments (effective 1 January 2009)
- IFRIC 15 Agreements for the Construction of Real Estate (effective 1 January 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)
- IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009)

(Note that the amendment to IAS 39 and IFRS 7 issued in October 2008 took immediate effect (and may be applied from 1 July 2008) so this is not a standard in issue but not yet effective in an annual period that had not ended at 1 July 2008.)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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### **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.

### **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)

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### **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/liabilities**

The Group classifies its financial assets/liabilities 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/liabilities were acquired. Management determines the classification of its financial assets/liabilities at initial recognition.

#### a) Financial assets/liabilities at fair value through profit or loss

These are financial assets/liabilities 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 as these are for commercial purposes.

#### 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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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### **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 in which case the related deferred tax is also charged or credited directly to equity.

### **Foreign currencies**

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.

### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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### **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. Dividends are paid in Euros. Under the Twin Share Scheme Shareholders can opt to receive their dividends in Sterling if they make the appropriate election in time to the company register. The Euro amount is converted to Sterling at the official exchange rate 14 days before the payment date.

### **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.

### **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 major transactions in currency other than Pounds sterling, it is not subject to foreign exchange risk. The only transaction is in respect of dividends that are partly paid in Euros.

###### 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 2008 and 2007, 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.

At 31 December 2008, if interest rates had been 1% higher with all other variables held constant, post tax profit for the year would have been £12,000 lower, mainly as a result of higher interest expenses on floating rate borrowings.

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.

##### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 2008:

	<b>Within 1 year £'000</b>	<b>1 to 2 years £'000</b>	<b>2 to 5 years £'000</b>	<b>Greater than 5 years £'000</b>	<b>Total £'000</b>
Trade payables	1,067	-	-	-	1,067
Bank overdraft	88	-	-	-	88
Invoice finance	75	-	-	-	75
Term Loan Interest	257	236	578	603	1,674
Bank loans	633	633	1,900	4,734	7,900
	<b>2,120</b>	<b>869</b>	<b>2,478</b>	<b>5,337</b>	<b>10,804</b>

At 31 December 2007:

	<b>Within 1 year £'000</b>	<b>1 to 2 years £'000</b>	<b>2 to 5 years £'000</b>	<b>Greater than 5 years £'000</b>	<b>Total £'000</b>
Trade payables	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
	<b>1,555</b>	<b>881</b>	<b>2,443</b>	<b>5,059</b>	<b>9,938</b>

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The gearing ratios at 31 December 2008 and 2007 were as follows:

	2008	2007
	£'000	£'000
Total borrowings	8,063	6,500
Less cash and cash equivalents	15	1,076
Net debt	8,048	5,424
Net assets	6,390	6,816
Less goodwill	216	216
Capital employed	6,174	6,600
Gearing ratio	130%	82%

The gearing ratio has been adversely impacted by the acquisition of Gillingham during the year.

### 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 12)

The Group provides for dilapidations in respect of properties that it leases where a repairing obligation exists. The Group takes professional advice in this area and provides for these where necessary under provisions and accruals.

The Group recognises revenue in the period which the services are provided. An appropriate proportion of handling revenue invoiced in advance is deferred until the inventory is despatched.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 Segmental information

a) Primary reporting format – Business Segments

At 31 December 2008 the Group is organised into 2 main business segments:

- Ambient storage locations
- Cold storage locations

Turnover from continuing operations in 2008 includes £351,000 (2007: £908,000) 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 2008 are:

	<b>Ambient Storage</b>	<b>Cold Storage</b>	<b>Unallocated</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total segment revenue	882	8,811	-	9,693
<b>Revenue</b>	<b>882</b>	<b>8,811</b>	<b>-</b>	<b>9,693</b>
Operating (loss)/profit	(13)	800	-	787
Finance income				20
Finance cost				(696)
<b>Profit before income tax</b>				<b>111</b>
Income tax – corporation tax				342
Income tax – deferred tax				(809)
<b>(Loss)/Profit for the year</b>				<b>(356)</b>
<b>Other segment items:</b>				
	<b>Ambient Storage</b>	<b>Cold Storage</b>	<b>Unallocated</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Depreciation (Note 13)	64	477	-	541

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

	<b>Ambient Storage £'000</b>	<b>Cold Storage £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
Total segment revenue	1,784	9,210	-	10,994
<b>Revenue</b>	<b>1,784</b>	<b>9,210</b>	<b>-</b>	<b>10,994</b>
Operating profit	149	1,146	(269)	1,026
Finance income				28
Finance cost				(437)
<b>Profit before income tax</b>				<b>617</b>
Income tax – corporation tax				(253)
Income tax – deferred tax				141
<b>Profit for the year</b>				<b>505</b>
<b>Other segment items:</b>				
	<b>Ambient Storage £'000</b>	<b>Cold Storage £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
Depreciation (Note 13)	103	424	-	527

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 2008 and the capital expenditure for the year then ended are as follows:

	<b>Ambient Storage £'000</b>	<b>Cold Storage £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
Assets	3,003	15,058	381	18,442
Liabilities	777	1,160	10,115	12,052
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital expenditure (Note 13)	-	3,325	-	3,325
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

	<b>Ambient Storage £'000</b>	<b>Cold Storage £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
Assets	2,792	12,073	1,395	16,260
Liabilities	472	1,588	7,384	9,444
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital expenditure (Note 13)	5	167	-	172
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 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 Other income

	2008 £'000	2007 £'000
Lease surrender income	600	-
Related dilapidation expenditure	(274)	-
	<u>326</u>	<u>-</u>

In March 2008 the group acquired a new cold store at Gillingham. At the time of the acquisition this site was being leased to a third party tenant. A payment of £600,000 for the surrender of an onerous lease was made by the tenant. The group incurred £274,000 in respect of related dilapidation expenditure on the property.

### 7 Staff costs

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

	2008	2007
Management	13	13
Administration	14	14
Technical	5	5
Operational	84	83
	<u>116</u>	<u>115</u>

The aggregate payroll costs of these persons were as follows:

	2008 £'000	2007 £'000
Wages and salaries	2,605	2,449
Share based payments (Note 20)	14	14
Social security costs	250	239
Other pension costs	101	95
	<u>2,970</u>	<u>2,797</u>

There were no prepayments or accruals included above for pension costs at 31 December 2008.

### 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 24.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

### 8 Financial income and expenses

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Interest income on bank accounts	<b>20</b>	43
Fair value losses on interest rate swaps	-	(15)
	<hr/>	<hr/>
Finance income	<b>20</b>	28
Finance expense - Interest expense on bank overdrafts and loans	<b>(469)</b>	(437)
Fair value losses on interest rate swaps	<b>(227)</b>	-
	<hr/>	<hr/>
Net finance costs	<b>(676)</b>	(409)
	<hr/> <hr/>	<hr/> <hr/>

### 9 Profit before tax

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

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Depreciation of property, plant and equipment (Cost of Sales)	<b>541</b>	527
	<hr/>	<hr/>
Loss on disposal of property, plant and equipment	-	27
	<hr/>	<hr/>
Staff costs, including share based payments (Note 7)	<b>2,970</b>	2,797
	<hr/>	<hr/>
Rentals payable under operating leases		
- Buildings	<b>1,929</b>	1,929
- Plant and machinery	<b>618</b>	618
	<hr/>	<hr/>
Auditors' remuneration - audit	<b>34</b>	34
- non-audit services	<b>22</b>	25
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

### 10 Income tax expense

<b>(a) Analysis of (credit)/charge in year</b>	<b>2008</b>	2007
	<b>£'000</b>	£'000
<b>UK</b>		
Corporation tax at 28.5% (2007: 30%)	(7)	252
Adjustment in respect of previous periods	(344)	(10)
<b>Ireland</b>		
Corporation tax at 12.5% (2007: 12.5%)	7	11
Adjustment in respect of previous periods	2	-
	<hr/>	<hr/>
Current tax (credit)/charge	(342)	253
	<hr/>	<hr/>
Deferred tax charge/(credit) (Note 19)	42	(141)
Deferred tax in respect of IBA	767	-
	<hr/>	<hr/>
Deferred tax charge/(credit)	809	(141)
	<hr/>	<hr/>
<b>(b) Factors affecting tax charge for year</b>	<b>2008</b>	2007
	<b>£'000</b>	£'000
Profit on ordinary activities before taxation	111	617
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard UK tax rate 28.5%(30%)	32	185
<i>Effects of:</i>		
Other expenses not deductible for tax purposes	78	80
Adjustment in respect tax payable on Irish Income (12.5%)	(17)	(15)
Adjustments in respect of previous periods	(344)	(10)
Adjustments in respect of IBA and tax rate change	718	(128)
	<hr/>	<hr/>
Total tax charge for year	467	112
	<hr/>	<hr/>

The corporation tax rate changed on the 1<sup>st</sup> April 2008 from 30% to 28%. The rate of 28.5% reflects the average rate for the year.

The significant deferred tax charge of £767,000(2007:£Nil) has arisen under IAS 12. This relates to the temporary difference between the carrying value of the asset in the balance sheet and its tax base. The significant charge arises as a result of changes in tax legislation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 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.

	2008	2007
(Loss)/profit attributable to ordinary shareholders (£'000)	(356)	505
Weighted average number of ordinary shares outstanding	8,466,230	8,466,230
Basic earnings per share- continuing operations	(4.2)p	6.0p

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.

	2008	2007
(Loss)/profit attributable to ordinary shareholders (£'000)	(356)	505
Weighted average number of ordinary shares outstanding	8,466,230	8,466,230
Dilutive effect of share options	-	3,372
Weighted average number of shares for the calculation of diluted earnings per share	8,466,230	8,469,602
Diluted earnings per share - total	(4.2)p	6.0p

All share options in issue are above the market share price and hence have no dilutive effect in the current year.

### 12 Goodwill

The cost and net book value of goodwill at 31 December 2007 and 31 December 2008 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 2008 (2007: £nil) and no reasonably foreseeable change in a key assumption would have given rise to an impairment, in either year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 Property, plant and equipment

	Land £'000	Freehold and Leasehold Buildings £'000	Plant and Equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2008	2,718	11,041	5,246	19,005
Additions	-	3,053	272	3,325
At 31 December 2008	2,718	14,094	5,518	22,330
<b>Depreciation</b>				
At 1 January 2008	-	2,615	3,889	6,504
Charge for year	-	226	315	541
At 31 December 2008	-	2,841	4,204	7,045
<b>Net book value 31 December 2008</b>	<b>2,718</b>	<b>11,253</b>	<b>1,314</b>	<b>15,285</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14 Trade and other receivables

	2008 £'000	2007 £'000
Trade receivables	1,588	1,443
Less: Provision for impairment of trade receivables	-	-
	<hr/>	<hr/>
Trade receivables - net	1,588	1,443
Prepayments	1,102	995
	<hr/>	<hr/>
	<b>2,690</b>	<b>2,438</b>
	<hr/> <hr/>	<hr/> <hr/>

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 2008, no trade receivables (2007: £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 2008, trade receivables of £591,000, 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:

	2008 £'000	2007 £'000
Up to 3 Months	588	381
Over 3 Months	3	10
	<hr/>	<hr/>
	<b>591</b>	<b>391</b>
	<hr/> <hr/>	<hr/> <hr/>

### 15 Financial assets/liabilities at fair value through profit or loss

The Group has a term loan with HSBC Bank plc (Note 17). £3.75m (2007 £3.75m) of the term loan is at a fixed interest rate of 6.09% until 2 March 2009 by use of an interest rate swap which is inclusive of a bank margin of 1.2%. £3m (2007 £nil) of the term loan is at a fixed interest rate of 6.51% until 5 March 2011 by use of an interest rate swap, which is inclusive of a bank margin of 1.2%.

The notional principal amount of the outstanding interest rate swaps contract at 31 December 2008 was £6.75m (2007: £3.75m).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Changes in fair value of financial assets/liabilities through profit or loss are recorded within finance income/expense in the income statement see note 8.

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

### 16 Trade and other payables

	2008	2007
	£'000	£'000
Trade payables	1,067	641
Value added tax and payroll taxes	396	345
Accruals and deferred income	605	1,173
	<hr/>	<hr/>
	2,068	2,159
	<hr/> <hr/>	<hr/> <hr/>

### 17 Borrowings

	2008	2007
	£'000	£'000
Current bank borrowings	796	500
Non-current bank borrowings	7,267	6,000
	<hr/>	<hr/>
	8,063	6,500
	<hr/> <hr/>	<hr/> <hr/>

In 2008 and 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 Bank plc agreed to a term loan of £2 million drawn down in March 2008 over a maximum period of 15 years.

(c) HSBC Invoice Finance Limited agreed to allow the Group to borrow up to an amount equivalent to 75% (2007 – 10%) of trade debtors subject to a maximum limit of £1m which is reviewed annually.

Overdraft interest is charged quarterly at an interest rate of bank base rate plus 1.3% (2007 - 1.25%). Invoice finance interest is charged on a daily basis at bank base rate plus 1.25% (2007 – 1.25%). Term Loans are charged quarterly at an interest rate of base rate plus 1.2%. (2007 - 0.97% above 3 month libor)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The group has the following SWAPS in place:

- (a) £3.75m (2007 £3.75m) at a fixed rate of 4.89% expiring on the 2<sup>nd</sup> March 2009.
- (b) £3m (2007 Nil) at a fixed rate of 5.31% expiring on the 5<sup>th</sup> March 2011.

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, York and Gillingham properties.

The fair value of the Group's financial liabilities as at 31 December 2008 was as follows:

	2008		2007	
	Book Value £'000	Fair Value £'000	Book Value £'000	Fair Value £'000
Current bank borrowings	796	796	500	500
Non-current bank borrowings	7,267	7,267	6,000	6,000
	<u>8,063</u>	<u>8,063</u>	<u>6,500</u>	<u>6,500</u>

The Group pays interest at the base rate plus a margin of 1.20% 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 un-drawn committed facilities available to the Group are set out below:

	2008 £'000	2007 £'000
Floating rate, expiring within one year		
Invoice finance	912	144
Bank overdraft	412	500
	<u>1,324</u>	<u>644</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

### 18 Provisions

	<b>2008</b>	2007
	<b>£'000</b>	£'000
At 1 January 2008	-	-
Accruals – reclassified	<b>310</b>	-
Charged to the income statement	<b>81</b>	-
	<hr/>	<hr/>
At 31 December 2008	<b>391</b>	-
	<hr/> <hr/>	<hr/> <hr/>

The provisions are in respect of property related costs at three of the groups sites.

### 19 Deferred income tax

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	-	-
Deferred tax asset to be recovered within 12 months	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	<b>1,305</b>	496
Deferred tax liabilities to be recovered within 12 months	<b>27</b>	27
	<hr/>	<hr/>
	<b>1,332</b>	523
	<hr/>	<hr/>
Deferred tax liabilities (net)	<b>1,332</b>	523
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

<b>Deferred tax liabilities</b>	<b>Accelerated capital allowances</b>	<b>Fair value gains</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2007	651	13	664
Charged to the income statement	(136)	(5)	(141)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	515	8	523
Credited/(charged) to the income statement	873	(64)	809
	<hr/>	<hr/>	<hr/>
At 31 December 2008	1,388	(56)	1,332
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The deferred tax liability due after more than one year prior to offsetting is £1,305,000 (2007: £496,000)

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

	<b>2008</b>	2007
	<b>£'000</b>	£'000
At 1 January	<b>523</b>	664
Income statement charge	<b>809</b>	(141)
Tax charged directly to equity	-	-
	<hr/>	<hr/>
	<b>1,332</b>	523
	<hr/> <hr/>	<hr/> <hr/>

The deferred income tax charged to equity in 2008 is related to the share option scheme.

### 20 Share capital

	<b>2008</b>	2007
	<b>£'000</b>	£'000
<i>Authorised</i>		
20,000,000 Ordinary shares of €25c each	<b>3,527</b>	3,527
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>	<b>Number</b>	<b>£'000</b>
Ordinary shares of €25c each		
At 1 January 2007, 31 December 2007 and 31 December 2008	<b>8,466,230</b>	<b>1,493</b>
	<hr/> <hr/>	<hr/> <hr/>

The total issued Ordinary shares in issue is 8,466,230 (2007: 8,466,230). These are all fully paid up.

## 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:

	2008		2007	
	Options Number	Weighted Average Exercise Price	Options Number	Weighted Average Exercise Price
Outstanding at 1 January	269,750	0.61	27,250	0.97
Granted	250,000	0.58	250,000	0.58
Cancelled	(250,000)	0.58	-	-
Lapsed	(3,750)	1.49	(7,500)	0.88
Exercised	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 31 December	266,000	0.61	269,750	0.61
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at 31 December	16,000	1.11	9,750	1.05
	<hr/>	<hr/>	<hr/>	<hr/>

The share options outstanding at the end of the year have expiry dates from March 2010 to March 2018 and exercise prices ranging from 58p to £1.47.

## 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:

Modification date	28 <sup>th</sup> June 2008
Grant date	18 <sup>th</sup> 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	£42,500

A modification was carried out on the 27th June 2008 so that the shares would qualify under the Enterprise Management Incentive Scheme (EMI). The original shares issued under a HMRC unapproved company share option scheme were cancelled and new shares were issued to replace these under the EMI scheme. Under IFRS 2 this modification would give rise to an intrinsic value over the vesting period of £5,000. As the adjustment for the year ended 31st December 2008 was only £800, it was considered immaterial and has not been adjusted for in the accounts.

### 21 Capital conversion fund

	2008	2007
	£'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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22 Dividends

	2008 £'000	2007 £'000
Final dividend paid in respect of the previous year of €1.25c (2007: €Nil) per ordinary share	84	-
Interim dividend paid in respect of the current year of €Nil (2007: €Nil) per ordinary share	-	-
	<hr/>	<hr/>
Total dividends paid	<b>84</b>	-
	<hr/> <hr/>	<hr/> <hr/>

The board have decided to declare a final dividend of €1.25cent. This will be paid on the 22<sup>nd</sup> May 2009 to those shareholders on the register on the 24<sup>th</sup> April 2009.

### 23 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 9.

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

	2008	2008	2008	2007	2007	2007
	Land and	Other	Total	Land and	Other	Total
	Buildings	operating	£'000	Buildings	leases	£'000
	£'000	leases	£'000	£'000	£'000	£'000
<i>Expiring:</i>						
Within one year	1,217	472	1,689	1,217	547	1,764
Between two and five years	4,206	1,248	5,454	4,395	1,596	5,991
Beyond five years	5,185	5	5,190	6,218	132	6,350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>10,608</b>	<b>1,725</b>	<b>12,333</b>	<b>11,830</b>	<b>2,275</b>	<b>14,105</b>
	<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 £1,217,000 (2007: £1,869,000) arises on leasehold properties, of which £700,000 (2007: £1,300,000) is subject to parent company guarantees.

The operating lease commitment is stated gross of annual sub-lease income of £351,000 (2007: £908,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

### (c) Capital commitments

At 31 December 2008, the Group had £21,000 (2007 : £70,000) of capital projects authorised of which £21,000 (2007 : £70,000) was contracted at 31 December 2008.

### 24 Directors' remuneration

	2008 £'000	2007 £'000
Aggregate emoluments	263	300
Company pension contributions	18	17
	<hr/>	<hr/>
	281	317
	<hr/> <hr/>	<hr/> <hr/>

The highest paid Director received total emoluments including pension contributions of £140,000 (2007:£157,000).

Details of directors' interests in shares and share options are set out on pages 13 and 14.

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.

### 25 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 £101,000 (2007: £95,000).

There were no prepayments or accruals for pension costs at 31 December 2008.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26 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	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 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

### 27 Post balance sheet events

The group has agreed a lease for a 34,600 sq ft (3,100 pallets) premises at Leeds at an initial rent of £15,000 per annum with an option to purchase for £1m within 12 months.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(CONTINUED)*

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### **28 Related party transactions**

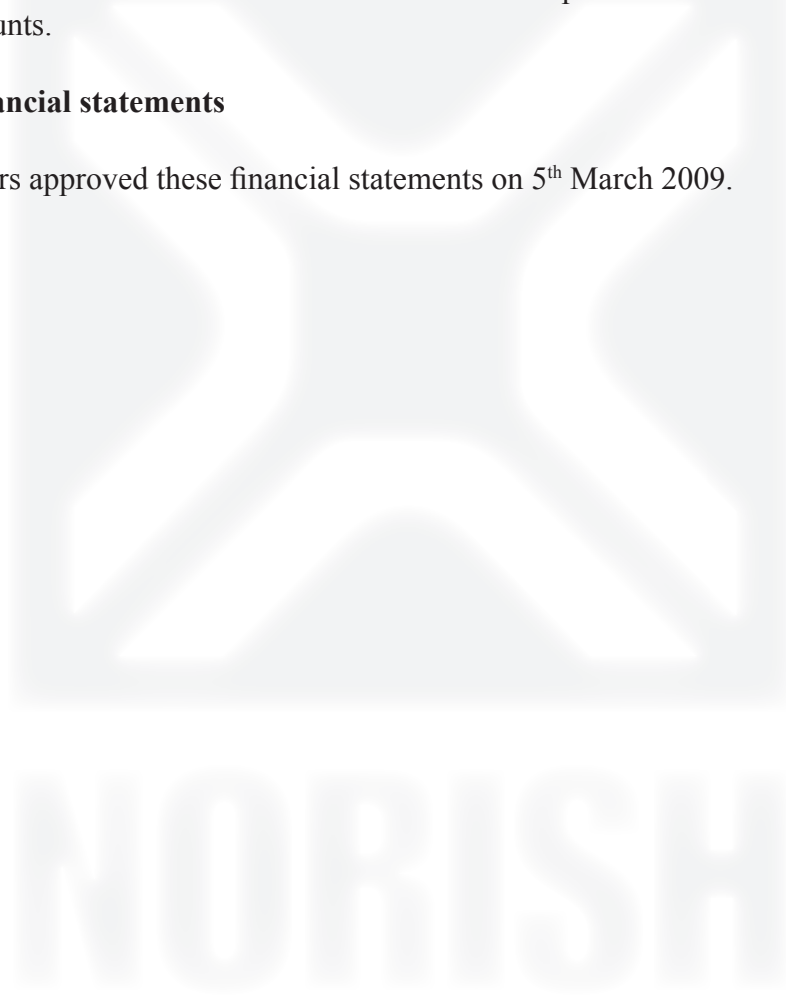
Consultancy services totalling £7,000 were provided by a relative of a director during the year.

### **29 Contingent liability**

The group has been notified of a potential claim in excess of amounts provided for in respect of a property it exited at Felixstowe in March 2008. Under paragraph 92 of IAS 32, Financial Instruments: Disclosure and presentation the directors feel disclosure of the details and the amount would prejudice the companies position in respect of the final outcome. The directors have taken professional advice and have made a provision in the accounts.

### **30 Approval of financial statements**

The Board of Directors approved these financial statements on 5<sup>th</sup> March 2009.



# COMPANY BALANCE SHEET

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at 31 December 2008

	Note	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Investments – Shares in group undertakings	4	620	606
<b>Current assets</b>			
Debtors	5	4,726	4,779
<b>Creditors:</b> amounts falling due within one year	6	(468)	(478)
<b>Net current assets</b>		<u>4,258</u>	<u>4,301</u>
<b>Net assets</b>		<u>4,878</u>	<u>4,907</u>
<b>Capital and reserves</b>			
Called up share capital	7	1,493	1,493
Share premium account	8	3,156	3,156
Capital conversion reserve fund	8	23	23
Profit and loss account	8	206	235
<b>Shareholders' funds</b>	9	<u>4,878</u>	<u>4,907</u>

Approved on behalf of the board on 5<sup>th</sup> March 2009 by:



T.J. O'Neill  
Chairman



N.A Hatcliff  
Managing Director

# NOTES TO THE ACCOUNTS

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## **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)

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### 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

The Company issues equity-settled share-based payments to certain employees. 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 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 FRS 20 only to those options granted after 7 November 2002 and which were not vested by 1 January 2006.

It is the company policy to debit the annual charge to Investments and credit reserves.

### 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 loss for the year arising in Norish plc amounted to £43,000 (2007: profit of £66,000).

### 3 Dividends paid and proposed

	2008 £'000	2007 £'000
Final dividend paid in respect of the previous year of €1.25c (2007: € Nil) per ordinary share	74	-
Interim dividend paid in respect of the current year of € Nil c (2007: € Nil) per ordinary share	-	-
	<hr/>	<hr/>
Total dividends paid	74	-
	<hr/> <hr/>	<hr/> <hr/>

The board have decided to declare a final dividend of €1.25cent. This will be paid on the 22<sup>nd</sup> May 2009 to those shareholders on the register on the 24<sup>th</sup> April 2009.

## NOTES TO THE ACCOUNTS (*CONTINUED*)

<b>4</b>	<b>Investments – Shares in group undertakings</b>	<b>£'000</b>
	Cost and net book value at 1 January 2008	606
	Capital contributions arising from FRS 20 charges	14
		620
	Cost and net book value at 31 December 2008	620

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 26 to the consolidated IFRS accounts within these financial statements

<b>5</b>	<b>Debtors</b>	<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
	Amount receivable from subsidiary undertakings	4,721	4,779
	Current tax asset	5	-
		4,726	4,779
		4,726	4,779

All amounts fall due within one year and no interest is payable by the subsidiaries.

<b>6</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
	Amounts owed to subsidiary undertakings	468	468
	Corporation tax	-	10
		468	478
		468	478

<b>7</b>	<b>Authorised share capital</b>	<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
	<i>Authorised</i>		
	20,000,000 Ordinary shares of €25c each	3,527	3,527
		3,527	3,527
	<i>Allotted, called up and fully paid</i>	<b>Number</b>	<b>£'000</b>
	Ordinary shares of €25c each		
	At 31 December 2007 and 31 December 2008	8,466,230	1,493
		8,466,230	1,493

Details of the share options that were granted by the company are presented in Note 20 to the consolidated IFRS accounts within these financial statements.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 8 Reserves

	Share Premium Account £'000	Capital Conversion Reserve Fund £'000	Profit and Loss Account £'000
At 1 January 2008	3,156	23	235
Profit for the financial year (Note 2)	-	-	31
Dividends paid (Note 3)	-	-	(74)
Credit in respect of share based payments – FRS20 charge	-	-	14
<b>At 31 December 2008</b>	<b>3,156</b>	<b>23</b>	<b>206</b>

Details of the share based payment charge in accordance with FRS 20 are fully disclosed in Note 20 to the consolidated IFRS accounts within these financial statements.

### 9 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit for the financial year	31	66
Dividends paid	(74)	-
Credit in respect of share based payments	14	14
Net increase in shareholders' funds	(29)	80
Opening shareholders' funds	4,907	4,827
Closing shareholders' funds	4,878	4,907

The group paid a total dividend in 2008 of £84,000, of which £74,000 was paid through the company and £10,000 was paid through Norish UK plc under the Twin Share Option Scheme.

### 10 Financial commitments

At the 31 December 2008, the Group had £21,000 (2007: £70,000) of capital projects authorised of which £21,000 (2007 £70,000) was contracted at 31 December 2008.

## NOTES TO THE ACCOUNTS *(CONTINUED)*

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### **11 Financial commitments and contingencies**

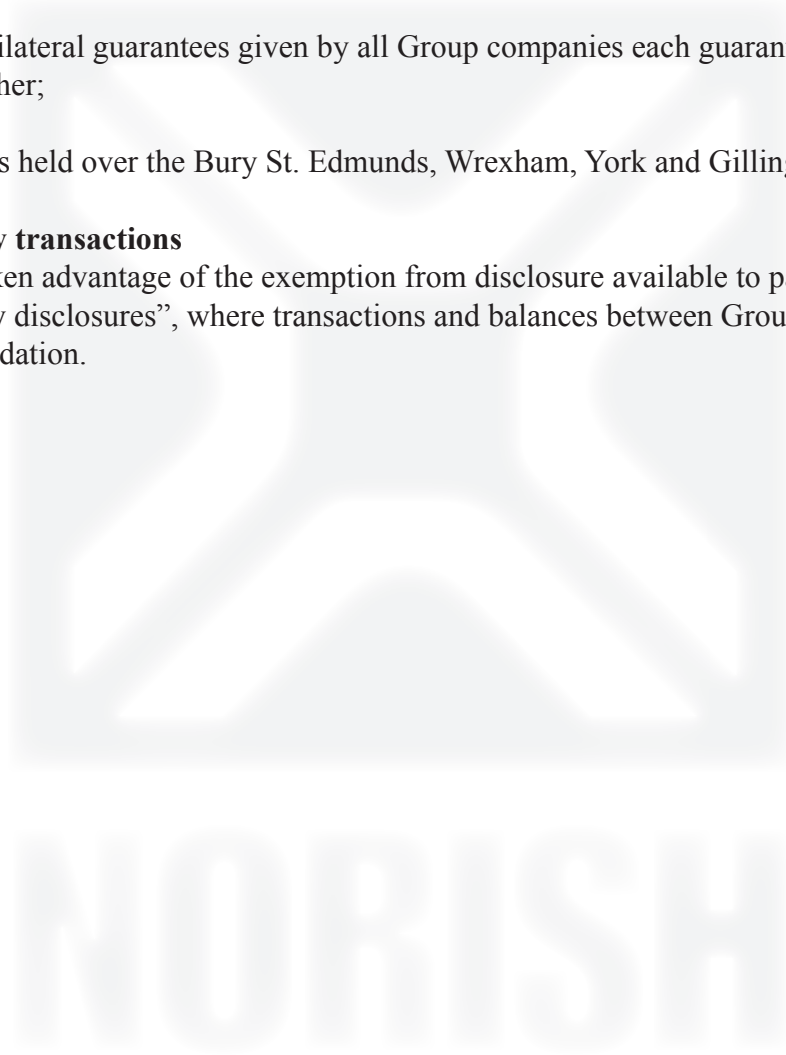
At the 31 December 2008, the Company has exposure for the debts of Norish Ltd totalling £8,063,000(2007: £6,500,000) to HSBC Bank plc.

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, York and Gillingham properties.

### **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

	2004 £'000	2005 £'000	2006 £'000	2007 £'000	2008 £'000
	Irish GAAP	Irish GAAP	IFRS	IFRS	IFRS
Revenue	12,243	11,428	10,671	10,994	9,693
Trading profit - continuing	1,287	1,401	1,350	1,553	1,002
- discontinued	-	(441)	-	-	-
Other Income	-	-	-	-	326
Goodwill – amortisation	(15)	(15)	-	-	-
Profit on sale of property	-	1,000	-	-	-
Other exceptional items	-	(219)	-	-	-
Net finance expenses	(111)	(66)	(341)	(409)	(676)
Depreciation	(897)	(630)	(521)	(527)	(541)
Profit before taxation	264	1,030	488	617	111
Taxation	(35)	(59)	(190)	(112)	(467)
Profit for the financial year	229	971	298	505	(356)
Dividends	(119)	(191)	(144)	-	(84)

### Consolidated balance sheet

	2004 £'000	2005 £'000	2006 £'000	2007 £'000	2008 £'000
	Irish GAAP	Irish GAAP	IFRS	IFRS	IFRS
<b>Total assets less current liabilities</b>					
Non-current assets	7,633	13,293	13,119	12,717	15,501
Current assets	2,849	3,387	3,390	3,543	2,941
Current liabilities	(3,723)	(2,902)	(3,048)	(2,921)	(3,062)
	6,759	13,778	13,461	13,339	15,380
<b>Financed by</b>					
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
Retained earnings	574	1,473	1,625	2,144	1,718
<b>Shareholders' funds - equity</b>	5,246	6,145	6,297	6,816	6,390
Provisions	-	-	-	-	391
Deferred tax	654	633	664	523	1,332
Long term liabilities	859	7,000	6,500	6,000	7,267
	6,759	13,778	13,461	13,339	15,380



**NORISH**

**NORISH PLC**

**Registered Office**

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Dublin 4

**Operational Head Office**

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IP32 6NL