

Norish plc

Interim results 2013

Results

Norish plc results for the year period ended 30th June 2013 are as follows:

- Turnover increased to £11.9m compared with £5.4m in 2012.
- Turnover from Town View Foods Limited accounted for £5.9m.
- Profit on continuing operations increased to £295,000 compared with £9,000.
- Earning per share increased to 2.2p compared with 0.1p.
- Shareholders funds increased to £8.3m compared with £7.9m.

The cold store business performed better than the first half of last year, primarily due to increased turnover.

Our ambient site at York performed poorly compared to the same period last year.

Town View Foods the new protein commodity trading business that was acquired on the 5th October 2012 was profitable despite the difficult market trading conditions.

We currently use R22 refrigeration gas at 3 of our cold stores. R22 is a Hydrochlorofluorocarbon (HCFC) which is classed as an ozone depleting gas and with effect from 1st January 2010 it is no longer possible to purchase virgin R22. However, the use of re-cycled R22 is still permitted until 31st December 2014. At the 30 June 2013 we had an option to purchase 24ton of re-cycled R22 at £4.05 per kg .Under IAS39 Financial Instruments (Recognition and measurement) we have accounted for a loss of £25,000 in the first half of the year, which compares with a profit of £88,000 for the same period last year. The worst case scenario could adversely impact the results, in the full year, by £397,000. As the company has no obligation to exercise this option, any potential loss, is a book loss only.

Following an internal review of the Group's operations, the board has decided that the Group will dispose of its ambient storage site in York and it's temperature controlled site in Leeds as neither of those facilities are central to the future growth and development of the Group.

The Group will continue with it's temperature controlled facilities in North Wales, Birmingham and it's four sites in the South East of England.

The commodity protein trading business Town View Foods, will be further developed and expanded.

Dividend

The board does not recommend a payment of an Interim dividend, unchanged from last year.

Financial Strength

Shareholders funds at 30 June 2013 were £8,288,000 compared with £8,067,000 at 31 December 2012. Net debt at 30 June 2013 was £8,336,000, compared with a net debt of £8,192,000 at 30 June 2012.

Going Forward

The board intends to dispose of both its Leeds and York sites and to look at other fundraising options to ensure the Group is in a strong financial position to pursue plans for the continued growth and development of its business.

Ted O'Neill
Chairman

Norish plc
Consolidated income statement
For the six months ended 30 June 2013

	Six months ended 30 June 2013 (Unaudited)	Six months ended 30 June 2012 (Unaudited)	Year ended 31 December 2012 (Audited)
	£'000	£'000	£'000
Continuing operations			
Revenue	11,881	5,427	14,876
Cost of sales	(11,239)	(5,183)	(14,018)
Gross profit	642	244	858
Other (expense)/income	(25)	88	109
Acquisition expenses	-	-	(317)
Administrative expenses	(231)	(203)	(418)
Operating profit from continuing operations	386	129	232
Finance expenses - interest paid	(110)	(104)	(215)
Finance expenses - fair value gain/(loss) swaps/caps	73	(16)	(44)
Finance expenses – notional interest	(54)	-	(28)
Profit/(loss) on continuing activities before taxation	295	9	(55)
Tax on profit/(loss) on ordinary activities	(74)	(2)	(24)
Profit/(loss) for the period attributable to shareholders	221	7	(79)
Profit/(loss) per share expressed in pence per share:			
From continuing operations			
- basic	2.2p	0.1p	(0.8)p
Weighted average number of ordinary shares	10,146,185	9,312,852	9,532,431
- diluted	2.2p	0.1p	(0.8)p
Weighted average number of diluted ordinary shares	10,146,185	9,312,852	9,532,431

Norish plc
Interim balance sheet
As at 30 June 2013

	As at 30 June 2013 (Unaudited)	As at 30 June 2012 (Unaudited)	As at 31 December 2012 (Audited)
	£'000	£'000	£'000
Assets			
Non current assets			
Goodwill	2,554	216	2,554
Property, plant and equipment	16,144	16,482	16,299
Derivate financial instruments	397	757	422
	19,095	17,455	19,275
Current assets			
Trade and other receivables	4,037	2,611	4,244
Inventories	107	-	84
Cash and cash equivalents	42	74	103
	4,186	2,685	4,431
Liabilities			
Current liabilities			
Trade and other payables	(3,352)	(2,538)	(3,904)
Financial Liabilities at fair value through profit or loss	(267)	(120)	(450)
Current tax liabilities	(337)	(81)	(566)
Bank overdraft and loans	(2,885)	(2,044)	(2,216)
	(6,841)	(4,783)	(7,136)
	(2,655)	(2,098)	(2,705)
Net current assets			
Non-current liabilities			
Borrowings	(5,493)	(6,222)	(5,890)
Financial Liabilities at fair value through profit or loss	(1,423)	-	(1,422)
Provisions	(190)	(139)	(145)
Deferred tax	(1,046)	(1,055)	(1,046)
	(8,152)	(7,416)	(8,503)
Net assets	8,288	7,941	8,067
Equity			
Share capital	1,841	1,674	1,841
Share premium account	3,276	3,229	3,276
Capital conversion reserve fund	23	23	23
Retained earnings	3,148	3,015	2,927
Equity attributable to equity holders of the parent	8,288	7,941	8,067

Norish plc
Consolidated statement of changes in equity
For the six months ended 30 June 2013

	Share capital (Unaudited) £'000	Share premium (Unaudited) £'000	Capital Conversion Reserve (Unaudited) £'000	Retained Earnings (Unaudited) £'000	Total (Unaudited) £'000
At 1 January 2012	1,674	3,229	23	3,099	8,025
Net profit for the period	-	-	-	9	9
Equity dividends paid (recognised directly in equity)	-	-	-	(93)	(93)
At 30 June 2012	<u>1,674</u>	<u>3,229</u>	<u>23</u>	<u>3,015</u>	<u>7,941</u>
Net loss for the period	-	-	-	(88)	(88)
Issue of share capital	167	83	-	-	250
Share issue costs	-	(36)	-	-	(36)
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 31 December 2012	<u>1,841</u>	<u>3,276</u>	<u>23</u>	<u>2,927</u>	<u>8,067</u>
Net profit for the period	-	-	-	221	221
Equity dividends paid (recognised directly in equity)	-	-	-	-	-
At 30 June 2013	<u>1,841</u>	<u>3,276</u>	<u>23</u>	<u>3,148</u>	<u>8,288</u>

Norish plc
Consolidated cash flow statement
For the six months ended 30 June 2013

	Six months Ended 30 June 2013 (Unaudited) £'000	Six months ended 30 June 2012 (Unaudited) £'000	Year Ended 31 December 2012 (Audited) £'000
Profit on continuing activities before taxation	295	9	(55)
Adjustments for:			
Finance expenses	164	120	287
Finance income	(73)	-	-
Finance expenses – notional interest	(54)	-	(28)
Fair value (losses)/gains on interest rate swaps/caps	73	(16)	(44)
Other income	25	(88)	(109)
Unrealised gain on derivative financial instrument	(25)	88	49
Depreciation – property, plant and equipment	326	291	595
Changes in working capital:			
Increase in inventories	(23)	-	(39)
Decrease/(Increase) in trade and other receivables	207	128	676
(Decrease)/increase in payables	(546)	(336)	(1,034)
Increase in provisions	45	-	6
Cash generated from operations	414	196	304
R22 income received	-	-	356
Interest paid - bank loans and overdrafts	(110)	(104)	(215)
Taxation paid	(303)	-	(69)
Net cash from operating activities	1	92	376
Investing activities			
Payments to acquire subsidiary	(163)	-	(3,500)
Cash acquired as part of consideration	-	-	3,312
Purchase of property, plant and equipment	(171)	(1,394)	(1,515)
Net cash used in investing activities	(334)	(1,394)	(1,703)
Financing activities			
Dividends paid to shareholders	-	(93)	(93)
Share issue proceeds	-	-	250
Share issue costs	-	-	(36)
Invoice finance receipts	661	906	1,142
Finance lease capital repayments	(23)	(23)	(46)
Term loan advance	-	900	900
Term loan repayments	(366)	(364)	(737)
Net cash used in financing activities	272	1,326	1,380
Net decrease in cash and cash equivalents	(61)	24	53
Cash and cash equivalents, at beginning of period	103	50	50
Cash and cash equivalents end of period	42	74	103

Note: The accounting policies applied throughout the period are consistent with those applied for the year ended 31 December 2012, as set out in the 2012 Annual Report.

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