

Financial Statements

Norish (N.I.) Limited

For the year ended 31 December 2019



Registered number: NI016202

Norish (N.I.) Limited

Company Information

Directors	T.J. O'Neill A.V. Hughes
Company secretary	A.V. Hughes
Registered number	NI016202
Registered office	Forsyth House Cromac Square Belfast Northern Ireland BT2 8LA
Independent auditor	Grant Thornton Chartered Accountants & Statutory Auditors City Quay Dublin 2
Bankers	Bank of Ireland 11 Upper English Street Armagh Northern Ireland
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4

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Directors' report

For the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activities

The principal activities of the Company are the holding of investments in companies providing storage services, and investment in and management of property used in the business of a wholly-owned subsidiary.

The directors have no plans to change significantly the activities and operations of the Company in the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £743,527 (2018 - £743,821).

The directors have recommended a dividend in the current year of £700,000 (2018: £700,000).

Directors

The directors who served during the year were:

T.J. O'Neill
A.V. Hughes

Principal risks and uncertainties

As the company does not trade per se, rather provides management services to subsidiary undertakings, the directors do not consider that the company is exposed to any principal risks and uncertainties directly.

Statement of relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

The directors and the company's management team are closely monitoring developments during the Covid-19 crisis and assessing the potential impact they may have on the company's activities, operations and financial position. The directors note that this is a dynamic situation and at present there is a high degree of uncertainty in relation to the wider economic short-to-medium term impact, however they are satisfied that the company is in a strong position to withstand potential future challenges in this context.

Norish (N.I.) Limited

Directors' report (continued)

For the year ended 31 December 2019

Auditor

The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 March 2020 and signed on its behalf.


A.V. Hughes
Secretary

Norish (N.I.) Limited

Directors' responsibilities statement

For the year ended 31 December 2019

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

This report was approved by the board on 12 March 2020

and signed on its behalf.


A.V. Hughes
Secretary



Independent auditor's report to the members of Norish (N.I.) Limited

Opinion

We have audited the financial statements of Norish (N.I.) Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2019, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, Norish (N.I.) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 December 2019 and of its financial performance for the year then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Norish (N.I.) Limited (continued)

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS101 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the members of Norish (N.I.) Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Independent auditor's report to the members of Norish (N.I.) Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. 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.

A handwritten signature in black ink, appearing to read 'Jason Crawford'.

Jason Crawford (Senior Statutory Auditor)

for and on behalf of

Grant Thornton

Chartered Accountants
Statutory Auditors

Dublin 2
Date: 12 March 2020

Statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover		200,000	200,000
Gross profit		200,000	200,000
Administrative expenses		(120,527)	(120,527)
Operating profit	4	79,473	79,473
Income from shares in group undertakings		700,000	700,000
Profit before tax		779,473	779,473
Tax on profit	6	(35,946)	(35,652)
Profit for the financial year		743,527	743,821
Total comprehensive income for the year		743,527	743,821

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 22 form part of these financial statements.

Norish (N.I.) Limited

Registered number: NI016202


Statement of financial position

As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	6,711,184	6,831,711
Investments	9	3,330,982	3,330,982
		<u>10,042,166</u>	<u>10,162,693</u>
Current assets			
Debtors: amounts falling due within one year	10	243,882	243,882
		<u>243,882</u>	<u>243,882</u>
Creditors: amounts falling due within one year	11	(9,521,642)	(9,684,947)
		<u>(9,277,760)</u>	<u>(9,441,065)</u>
Net current liabilities			
		<u>(9,277,760)</u>	<u>(9,441,065)</u>
Total assets less current liabilities		<u>764,406</u>	<u>721,628</u>
Provisions for liabilities			
Deferred taxation	12	(113,219)	(113,968)
		<u>(113,219)</u>	<u>(113,968)</u>
Net assets		<u>651,187</u>	<u>607,660</u>
Capital and reserves			
Called up share capital	13	480,001	480,001
Profit and loss account	14	171,186	127,659
		<u>651,187</u>	<u>607,660</u>
Shareholders funds		<u>651,187</u>	<u>607,660</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


T.J. O'Neill
Director


A.V. Hughes
Director

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	480,001	127,659	607,660
Comprehensive income for the year			
Profit for the year	-	743,527	743,527
Dividends: Equity capital	-	(700,000)	(700,000)
At 31 December 2019	480,001	171,186	651,187

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	480,001	83,838	563,839
Comprehensive income for the year			
Profit for the year	-	743,821	743,821
Dividends: Equity capital	-	(700,000)	(700,000)
At 31 December 2018	480,001	127,659	607,660

The notes on pages 11 to 22 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1. General information

Norish (N.I.) Limited is a member's limited liability company which is registered and incorporated in Northern Ireland. The company's registered office is Forsyth House, Cromac Square, Belfast, Northern Ireland, BT2 8LA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The company qualifies as a small company as defined by the Companies Act 2006 in respect of the financial year and has applied the rules of the 'Small Companies Regime' in accordance with section 415A of the Act.

The company's functional and presentational currency is GBP (£).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The information is included in the consolidated financial statements of Norish plc as at 31 December 2019 and these financial statements can be obtained from the company secretary at Norish plc, Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL.

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Company and the Group as a whole will have adequate resources to continue in operation for the foreseeable future.

The group borrowings are underpinned by a portfolio of freehold and long leasehold properties and at the year end there were agreed, but undrawn facilities of £1.7m along with cash reserves of £1.1m. The group also has the ability to raise equity funds through the London Stock Exchange (AIM) market.

Taking into account all of the above the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company may have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2.5 New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019; it has had no impact on the company's financial statements.

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets - investment property

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Investment property	- 50 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in statement of comprehensive income for the period.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.10 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

In the periods presented the company does not have any financial assets categorised as FVOCI and FVTPL.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash at bank and in hand and debtors fall into this category of financial instruments.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on debtors measured at amortised cost.

The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

In applying this forward-looking approach, a distinction is made between:

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.10 Financial instruments (continued)

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Classification and measurement of financial liabilities

The Company's financial liabilities include creditors.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Consolidation

The company is ultimately a subsidiary of an EU parent which itself prepares publicly available consolidated financial statements and is therefore exempt from the requirement to prepare consolidated financial statements in accordance with s400 of the Companies Act 2006. Consequently, these financial statements deal with the results of the company as a single entity.

Notes to the financial statements

For the year ended 31 December 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain property, plant and equipment.

Impairment of investments

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses and interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

4. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	<u>120,527</u>	<u>120,527</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

Notes to the financial statements

For the year ended 31 December 2019

6. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	36,436	36,093
Adjustments in respect of previous periods	259	-
	<u>36,695</u>	<u>36,093</u>
Deferred tax		
Origination and reversal of timing differences	(749)	(441)
Total deferred tax	<u>(749)</u>	<u>(441)</u>
Taxation on profit on ordinary activities	<u>35,946</u>	<u>35,652</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>779,473</u>	<u>779,473</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	148,100	148,100
Effects of:		
Fixed asset timing differences	20,500	20,500
Adjustments to tax charge in respect of prior periods	259	-
Non-taxable income	(133,000)	(133,000)
Effect of tax rate change - deferred tax	87	52
Total tax charge for the year	<u>35,946</u>	<u>35,652</u>

7. Dividends

	2019 £	2018 £
Dividends paid	<u>700,000</u>	<u>700,000</u>

During the year a final dividend paid of £1.46 per ordinary share (2018: £1.46) on 480,000 ordinary shares was paid.

Notes to the financial statements

For the year ended 31 December 2019

8. Tangible fixed assets

	Investment property £
Cost or valuation	
At 1 January 2019	8,161,812
At 31 December 2019	<u>8,161,812</u>
Depreciation	
At 1 January 2019	1,330,101
Charge for the year on owned assets	120,527
At 31 December 2019	<u>1,450,628</u>
Net book value	
At 31 December 2019	<u><u>6,711,184</u></u>
At 31 December 2018	<u><u>6,831,711</u></u>

Included in the net book value of tangible fixed assets above are investment properties which are accounted for using the cost model approach. The directors consider that the net book value of these properties represent their fair value as at 31 December 2019.

Notes to the financial statements

For the year ended 31 December 2019

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	3,330,982
At 31 December 2019	<u>3,330,982</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Norish Limited	United Kingdom	Norish Limited is a provider of temperature controlled, ambient storage and related logistics services to the food industry.	Ordinary	100%

Norish Limited's registered office is in Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL.

10. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	243,882	243,882
	<u>243,882</u>	<u>243,882</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements

For the year ended 31 December 2019

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	9,475,206	9,639,113
Corporation tax	36,436	35,834
Taxation and social security	10,000	10,000
	<u>9,521,642</u>	<u>9,684,947</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Deferred taxation

	2019 £
At beginning of year	113,968
Charged to the profit or loss	(749)
At end of year	<u>113,219</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	113,219	113,968
	<u>113,219</u>	<u>113,968</u>

13. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
480,000 (2018 - 480,000) Ordinary shares of £1 each	480,000	480,000
1 (2018 - 1) A Ordinary share of £1	1	1
	<u>480,001</u>	<u>480,001</u>

Notes to the financial statements

For the year ended 31 December 2019

14. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

Issued share capital

Issued share capital represents the nominal value of shares issued.

15. Contingent liabilities

The company has an unlimited multilateral company guarantee with HSBC Bank plc securing all liabilities of Norish plc, Norish (UK) plc, Norish (NI) Limited, Townview Foods Limited, Roebuck Investments Limited, Foro International Connections Limited and Cantwells court Farm Limited. The amount of the exposure as at 31 December 2019 was £5,374,686 (2018: £5,968,197).

16. Related party transactions

The company has availed itself of the exemption under Financial Reporting Standard 101 section 8(k) not to give details of related party transactions with group companies as it is a wholly owned subsidiary of Norish plc. The consolidated financial statements of Norish plc include this company and are publicly available from Norish plc, Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL.

17. Controlling party

The company is a wholly owned subsidiary of Norish plc, a company incorporated in the Republic of Ireland.

Norish plc is the smallest and largest group for which the financial statements are prepared and the Group financial statements can be obtained from the company secretary at Norish plc, Northern Industrial Estate, Bury St Edmunds, Suffolk, IP32 6NL.

18. Post balance sheet events

The directors and the company's management team are closely monitoring developments during the Covid-19 crisis and assessing the potential impact they may have on the company's activities, operations and financial position. The directors note that this is a dynamic situation and at present there is a high degree of uncertainty in relation to the wider economic short-to-medium term impact, however they are satisfied that the company is in a strong position to withstand potential future challenges in this context.

19. Approval of financial statements

The board of directors approved these financial statements for issue on 12 March 2020.