



NATIONAL MILK RECORDS PLC

**Summary financial statement
for the year ended
31 March 2011**

Directors' report

Results and dividends

The group profit before tax for the year amounted to £706,000 (2010: £230,000). The directors recommend the payment of a dividend of 2p per share amounting to £147,000 (2010: £nil). Earnings per ordinary share are disclosed in the profit and loss account.

Principal activity and review of the business

The group's principal activity during the year was the provision of management information, predominantly to the agricultural industry.

Principle risks and uncertainties

There are a range of risks and uncertainties facing the company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the directors believe could have a significant impact on the group's performance, as analysed by its key performance indicators.

Market conditions

Levels of business activity will vary for each of the markets in which NMR operates, but ultimately this is dependent on factors such as economic cycles, government legislation, growth of the economy and environmental factors.

Competitive pressures

The group operates in competitive markets with differing characteristics. Market share could be affected by the emergence of new competitors or technological advances in products.

Customers

The group must maintain its ability to continue to provide an innovative service to the local customer base and develop in a profitable way in an increasingly price sensitive market. If the group fails to do this, customers may spend less with NMR.

Financial Key Performance Indicators

The directors monitor the group's progress against its strategic objectives and the financial performance of the group's operations on a regular basis. Details of the most significant key performance indicators (KPIs) used by the group are as follows:

Turnover (growth)

NMR views change in the market as an opportunity to grow, and to use its profits and ability to develop and produce innovative products, services and solutions that satisfy emerging customer needs. Growth comes from taking considered risks, based on the state of the industry, but also in inducing change in the industry in which NMR operates.

For the year ended 31 March 2011, turnover was £16,801,000 (2010: £15,896,000), this represents a 5.7% increase on the previous year. NMR has been focusing on stabilizing its traditional core business and developing new innovative products and services which should lead to turnover growth over the next few years.

Profitability

In order to be successful, NMR needs to achieve sufficient profit to finance growth, create value for the group's shareholders and provide the resource needed to achieve any of the group's other objectives.

For the year ended 31 March 2011, gross profit was £4,006,000. This was up 5% from the year ended 31 March 2010 (£3,815,000). However profit before tax, excluding the effects of FRS 17 interest, was £387,000 representing a 23% decrease on the previous year (2010 - £504,000). The costs for the year include a one off amount of £93,000 relating to the share consolidation and an increase of over £100,000 in the compulsory levy to the pension protection fund. This levy will reduce in 2011/12.

Market share

The group aims to extend market share by continually providing useful and significant products, services and solutions to markets it already serves and to expand into new areas that build on National Milk Records' competencies and customer interests. The group aims to be influential in the markets in which it operates.

Future developments

The directors will continue to focus on the core business of the company and its subsidiary undertakings, whilst looking to take advantage of new opportunities as they arise.

Directors

The directors during the year were as follows:

A J Warne	C T Hughes
J L Marshall	P H Kirkham
T Lloyd	D J Thomas
H I Smith	

C Hughes (Secretary)
13 July 2011

**Summary group profit and loss account
for the year ended 31 March**

	2011 £'000	2010 £'000	Notes
Turnover	16,801	15,896	1
Gross Profit	4,006	3,815	
Operating profit before goodwill amortisation, interest and other financial income/(cost)	641	752	2
Goodwill amortisation	(210)	(204)	
Net Interest payable	(44)	(44)	
Other financial income/(cost)	319	(274)	3
Profit before tax	706	230	
Taxation	(313)	(121)	
Profit after tax and retained profit for the year	393	109	
Earnings per share	5.65p	1.56p	
Adjusted earnings per share	5.44p	1.56p	
Proposed dividends per share	2p	Nil	

**Group statement of total recognised gains and losses
for the year ended 31 March**

	2011 £'000	2010 £'000
Profit for the financial year	393	109
Actuarial (loss)/gain recognised in the pension scheme	(124)	144
Deferred tax on pension scheme	35	(40)
Total recognised gains and losses	304	213

**Summary group balance sheet
at 31 March**

	2011 £'000	2010 £'000
Intangible assets	448	657
Tangible fixed assets	3,910	4,179
Investments	149	5
	4,507	4,841
Current assets	2,054	1,769
Current liabilities	(2,691)	(2,280)
Net current liabilities	(637)	(511)
Total assets less current liabilities	3,870	4,330
Creditors falling due after more than one year	(474)	(779)
Provisions for liabilities and charges	(233)	(258)
Pension liability	(1,740)	(2,179)
Net assets	1,423	1,114

**Summary group cash flow statement
for the year ended 31 March**

	2011 £'000	2010 £'000
Net cash flow from operating activities	558	918
Returns on investment and servicing of finance	(44)	(45)
Taxation	10	(86)
Capital expenditure and financial investment	(387)	(69)
Investment in associate	(177)	-
Net cash inflow before financing	(40)	718
Financing	(343)	(549)
(Decrease)/increase in cash in the period	(383)	169

The summary financial statement was approved by the Board on 7 July 2011 and was signed on its behalf by
Christopher Hughes
Finance Director
National Milk Records plc
Tel: 01249 467220

Notes

1 Turnover	2011	2010
	£'000	£'000
National Milk Records (NMR)	12,803	12,401
Intercompany	(539)	(662)
National Milk Laboratories (NML)	4,171	3,786
National Livestock Records (NLR)	366	371
	16,801	15,896
2 Operating profit before goodwill amortisation and interest	2011	2010
	£'000	£'000
Operating profit		
NMR	139	530
NML	401	234
NLR	101	(12)
	641	752
	2011	2010
	£'000	£'000
<i>Directors emoluments</i>		
Fees	360	321
Other emoluments (including pension contributions)	22	22
	382	343

3 Other financial income/(cost)

Accounting standards FRS 17 - Retirement Benefits require a figure for interest on the pension liability to be charged as a finance cost. The standard also dictates the criteria that need to be used in the calculation of the charge that largely depends on market conditions. In 2010 the finance cost was £274,000. In 2011 it is a credit, financial income, of £319,000. This does not represent interest actually paid or received by the group.

Important note

This Summary financial statement is only a summary of the information contained in National Milk Records plc's consolidated financial statements and Report of the directors as set out in the Annual Report. It contains additional information derived from the Report of the directors in the Annual Report, and does not contain the full text of that Report of the directors. It does not contain sufficient information to allow for as full an understanding of the results of the group and state of affairs of the Company or the group as would be provided by the Annual Report.

A copy of the Annual Report can be viewed online at our website www.nmr.co.uk. Shareholders may obtain a copy of the full Annual Report for 2011 and future years, free of charge, on request from the Company's registered office.

The auditors' report on the Annual Report for the year ended 31 March 2011 was unqualified and does not contain any statement under section 498(2) (accounting records or returns inadequate or accounts) or section 498(3) (failure to obtain necessary information and explanations) of the Companies Act 2006 and the auditors' statement in that Annual Report under section 496 (whether directors' report is consistent with accounts) of that Act was unqualified.

Auditors' Statement

Independent auditors' statement to the members of National Milk Records plc

We have examined the Summary financial statement which comprises the Summary group profit and loss account, Summary group cash flow statement, Summary group balance sheet and the directors' report.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the National Milk Records plc Summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the Summary financial statement within the National Milk Records plc Summary financial statement with the full annual financial statements and the Report of the directors and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder. We also read the other information contained in the National Milk Records plc Summary financial statement and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary financial statement.

This statement, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 428 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our reports on the Company's full annual financial statements describe the basis of our audit opinions on those financial statements and the Report of the directors.

Opinion

In our opinion the Summary financial statement is consistent with the full annual financial statements and the Report of the directors of National Milk Records plc for the year ended 31 March 2011 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

Monahans Chartered Accountants and Statutory Auditors, Swindon

13 July 2011