

NATIONAL MILK RECORDS PLC SUMMARY FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

Final Results

National Milk Records plc, the PLUS-quoted leading supplier of milk services, is pleased to announce its audited results for the year ended 31 March 2010.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Overview

- Increased revenues across all divisions confirming position as leading UK provider of dairy and livestock services
- Increased turnover of £15,896,000 (2009: £15,366,000) and profit, before tax and FRS17 interest, of £504,000 (2009: £381,000).
- Defined growth strategy focussed on delivering essential new products to farmers
- Highly encouraging uptake of fertility monitor Silent Herdsman since launching in June 2010
- Effectively addressing industry concerns regarding mastitis and Johnes disease within the herd through the Company's milk recording facilities

NMR Managing Director Andy Warne said, "Once again, we are reporting a strong performance for the year. We continue to fulfil our growth strategy and deliver an increasingly significant service to farmers by providing high tech testing products to the agricultural market. Our management is centred on progression, and is focussed on both consolidating its position as a leading provider of milk recording services in the UK, and strengthening its position internationally as highlighted by continued interest in our services from those operating with the Irish dairy industry.

"The dairy industry is evolving, and accordingly we are enhancing our portfolio of products to ensure that our offering remains relevant and integral to our customers. In line with this the Group has acquired the rights to distribute fertility monitor Silent Herdsman which has proven very popular as farmers look to increase the efficiency of their farms. We are excited about the prospects of the business and look forward to continuing our growth profile and delivering value."

Chairman's Statement

NMR has experienced another year of progression. The Group's products and technology continue to play a highly important role for farmers as they look to increase the efficiency of their farms in an ever evolving, quality driven and legislative sector. Demand for our services is therefore increasing, emphasised by our contracts in Ireland and our involvement in the Welsh Assembly Government's ('WAG') initiative to manage the implications of recent EU legislation stipulating that all sheep must be electronically tagged.

During the period all three divisions, being National Milk Records, National Milk Laboratories and National Livestock Records, have performed well. The structure of the business is evolving to ensure growth for all our divisions.

National Milk Records

National Milk Records continues to provide management information regarding milk quality, yield and fertility to over 50% of UK dairy farmers and over 35 industry bodies. We have a strong cash generative core business supported by dairy farmers, milk buyers and veterinary professionals due to the added value which our independent milk recording provides. This division remained profitable and has seen increased revenue over the period.

UK dairy farmers are increasingly aware of the economic and animal welfare implications of infectious diseases such as mastitis and Johnes. Indicators of mastitis such as Somatic Cell Count ('SCC') continue to increase nationally and a recent survey by DEFRA showed the presence of Johnes on 35% of UK herds. National Milk Records' capacity to test for diseases has bolstered this division, adding further credibility to our services. NMR is a member of the cross industry body, Action Group on Johnes, facilitated by Dairy UK and is already working with all major milk buyers to identify infected herds and working with individual farmers and their vets on control strategies.

Post period end, National Milk Records signed a distribution agreement with Embedded Technology Solutions Ltd ('ETS') to distribute the Silent Herdsman™, an intelligent, electronic monitoring collar which enables dairy farmers to significantly improve the efficiency of reproduction within the herd by effectively detecting a cow's Oestrus events. National Milk Records has received an extensive amount of interest in this product not only from existing customers but also from others operating in the dairy industry. The Silent Herdsman solution provides farmers with an extremely competitive product which increases the profitability on their farms, and we look forward to growth in this new and complimentary area of NMR's business.

National Milk Laboratories ('NML')

NML has performed well, seeing increased revenues over the year due to the introduction of polymerase chain reaction ('PCR') testing, a technology which greatly enhances our testing abilities. This division analyses virtually all liquid milk sold for quality and disease before it is sold to consumers in the UK and Scotland by testing bulk milk samples in two quality accredited laboratories in Wolverhampton and Glasgow for all of the major UK milk buyers, including major supermarkets. This data is also delivered to vets, research and educational organisations, feed producers and equipment manufacturers.

NML's presence in Ireland has gained significant momentum over the year and the Board remains confident that the Irish dairy sector presents the Company with an exciting opportunity to advance our capabilities in this geographic market.

National Livestock Records ('NLR')

NLR has built its presence in the red meat sector over the period as electronic tagging within the livestock industry increases on the back of EU legislation which states that all breeding sheep now have to be electronically tagged.

This has opened doors for NLR as leading sheep farmers look to work the legislation to their advantage to gain a greater understanding of their flock. As part of the Welsh Assembly Government's Technology, Agriculture and Greater Efficiencies Project ('TAG'), which is focussed on improving the financial returns for sheep farmers, NLR has been funded to develop a flock management database to assist Welsh sheep farmers. Our involvement continues, providing the Group with another revenue stream and adding significant weight to our position as leading providers of livestock services.

Expansion

Over the period, we introduced PCR testing to our laboratories which has provided a growth opportunity for both our milk recording and payment testing divisions. The implementation of this exciting technology should prove popular due to its ability to immediately detect specific mastitis causing bacteria, so that it can be treated in the most effective way. Mastitis within the herd is a big concern to our customers and our ability to address this increases our credibility to many within the industry.

As well as enhancing our position within the UK, we are also developing our presence in other geographic areas. As countries such as China and India look to advance their in-country dairy sector, our role and expertise within the UK dairy industry has been recognised, creating further opportunity for NMR's knowledge and technology to be utilised in emerging industries. As announced in December 2009, Managing Director Andy Warne was invited by the Royal Veterinary College to speak at the Sino-British International Conference of Cattle Farming and Animal Disease Prevention and Control, which was convened to explore potential business opportunities between the UK and China, as the Chinese look to enhance their network for the innovation and commercialisation in the dairy and livestock sector. NMR's invitation to speak at the conference reiterates the importance of milk recording in creating an efficient dairy industry.

Pension

We take our commitments to our pensioners and deferred pensioners seriously and we believe that our business plan will generate sufficient cash to allow us to invest in the growth of our business whilst agreeing with the Trustee a phased payment plan to meet the deficit in the fund. This should allow us to substantially reduce the inherent risk within a five year period.

Financial

The cash generative nature of NMR provides the Company with strong financials. The Group has performed excellently this year with all three divisions increasing their revenues. NMR has performed well over the period and I am pleased to report a net profit before tax and FRS 17 interest of £504,000 (2009: £381,000) on a turnover of £16,095,000 (2008: £15,366,000). The Group has a cash position, further to paying £495,000 towards the pension deficit, of £170,000 (2008: £127,000).

The Directors will not be recommending the payment of a dividend for this period.

Outlook

Looking ahead, we hope to maximise the Group's growth by continuing to pursue further opportunities internationally, particularly in Ireland – especially now that we have a solid footprint in the country, and by continuing to improve our current product offering. Concerns about disease and quality within the herd are high, and as farmers continue to increase the size of their herds, our services maintain their relevance.

The Group's influence within the livestock sector has been increasingly recognised by other countries looking to increase dairy products in their diet. I believe going forward, that our capacity to develop data management systems and create technological solutions for farmers, will aid us in extending the geographic reach of our company.

Finally, I'd like to thank all NMR employees for their hard work and I sincerely believe that we can look forward to the future with confidence.

Philip Kirkham

25 August 2010

*****ENDS*****

The directors of the Group accept responsibility for this announcement.

For further information visit www.nmr.co.uk or contact:

Chris Hughes	NMR plc	Tel: +44 (0) 1249 467 220
Duncan Vasey / Mark Anwyl	St Helen's Capital	Tel: +44 (0) 20 7628 5582
Hugo de Salis	St Brides Media & Finance Ltd	Tel: +44 (0) 20 7236 1177
Elisabeth Cowell	St Brides Media & Finance Ltd	Tel: +44 (0) 20 7236 1177

National Milk Records plc

Summary financial statement for the year ended 31 March 2010

Directors' report

Results and dividends

The group profit before tax for the year amounted to £230,000 (2009: £345,000). The directors do not recommend the payment of a dividend (2009: £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. A review of the business is contained in the Chairman's and Managing Director's statement.

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 2010, turnover was £15,896,000 (2009: £15,366,000), this represents a 3.4% 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 2010, gross profit was £3,815,000. This was down 2.5% from the year ended 31 March 2009 (£3,941,000). However profit before tax, excluding the effects of FRS 17 interest, was £504,000 representing a 32.3% increase on the previous year (2009 - £381,000).

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. Further details of expected future developments are provided in the Chairman and Managing Director's Statement.

Directors

The directors during the year were as follows:

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

C Hughes
(Secretary)

Wednesday, August 25, 2010

National Milk Records plc

Summary financial statement for the year ended 31 March 2010

Summary group profit and loss account

for the year ended 31 March	2010 £'000	2009 £'000	Notes
Turnover	15,896	15,366	1
Operating profit before goodwill amortisation and interest	752	700	2
Goodwill amortisation	(204)	(201)	
Interest payable	(318)	(154)	3
Profit before tax	230	345	
Taxation	(121)	(110)	
Retained profit for the year	109	235	
Earnings per share	1.6p	3.4p	
Adjusted earnings per share	1.6p	3.2p	
Proposed dividends	Nil	Nil	

Group statement of total recognised gains and losses

or the year ended 31 March 2010	2010 £'000	2009 £'000
Profit for the financial year	109	235
Actuarial gain/ (loss) recognised in the pension scheme	144	(2,241)
Deferred tax on pension scheme	(40)	602
Total recognised gains and losses	213	(1,404)

Summary group balance sheet

at 31 March	2010 £'000	2009 £'000
		Restated
Tangible fixed assets	4,178	4,653
Intangible assets	662	871
	4,840	5,524
Current assets	1,769	1,748
Current liabilities	(2,280)	(2,464)
Net current liabilities	(511)	(716)
Total assets less current liabilities	4,329	4,808
Creditors falling due after more than one year	(779)	(1,145)
Provisions for liabilities and charges	(258)	(219)
Pension liability	(2,179)	(2,543)
Net assets	1,113	901

Summary group cash flow statement

for the year ended 31 March 2010	2010 £'000	2009 £'000
Net cash flow from operating activities	920	1,480
Returns on investment and servicing of finance	(45)	(118)
Taxation	(86)	(10)
Capital expenditure and financial investment	(69)	(134)
Net cash inflow before financing	720	1,218
Financing	(549)	(589)
Increase	171	629

The summary financial statement was approved by the Board on on 25 August 2010 and was signed onits behalf by

Christopher Hughes
 Finance Director
 National Milk Records plc
 Tel: 01249 467220

Notes

1	Turnover	2010 £'000	2009 £'000
	National Milk Records (NMR)	12,401	12,112
	Intercompany	(662)	(560)
	National Milk Laboratories (NML)	3,786	3,537
	National Livestock Records (NLR)	371	277
		15,896	15,366
2	Operating profit before goodwill amortisation and interest	2010 £'000	2009 £'000
	Operating profit		
	NMR	530	509
	NML	234	249
	NLR	(12)	(58)
		752	700
		2010 £'000	2009 £'000
	Directors emoluments		
	Fees	321	318
	Other emoluments (including pension contributions)	22	36
		343	354

3 **Interest payable**
 Accounting standards FRS 17 - Retirement Benefits require a figure for interest on the pension liability to be charged to interest payable. The standard also dictates the criteria that need to be used in the calculation of the charge that largely depends on market conditions. In 2009 the interest figure charged was £36,000 in 2010 it is £274,000. This does not represent interest actually paid or payable by the group.

4 **Additional pension contribution**
 In addition to the amounts payable under the Pension scheme recovery plan agreed 31 March 2006 an payment of £495,000 was made to the pension Trustee in 2010 as an additional contribution to the deficit in the final salary pension scheme.

5 **Restatement**
 2009 Creditors: amounts falling due after one year has decreased by £384,000 and Creditors: amounts falling due within one year has increased by £384,000 in order to show the correct apportionment of finance lease liabilities between periods.

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 2010 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 2010 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 and Summary group balance sheet.

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 2010 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
25 August 2010