

The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. With the publication of this announcement, this information is now considered to be in the public domain.

6 August 2024

H C Slingsby plc
(“Slingsby” or “the Company”)
Report for the half year ended 30 June 2024

Statement by the Chairman

Trading

In my statement in the trading update of 19 June 2024, I reported that Group sales in the five months to 31 May 2024 were 4% lower than prior year and that Group sales in May 2024 were 12% lower than that achieved in May 2023. This trend in sales continued in June 2024 such that Group sales in the six months to 30 June 2024 were 6% lower than in the same period last year. The directors consider that the lower level of sales is due to customers reducing or deferring spending following cost increases caused by factors such as the increase in the minimum wage, lower sales of seasonal products and uncertainty caused by the General Election. This lower level of sales, together with higher overhead costs, led to an unaudited operating profit before tax and exceptional item of £0.1m compared to £0.3m in the six months ended 30 June 2023.

An exceptional item in the sum of £0.2m relates to the costs of the retirement of Dominic Slingsby. The exceptional item together with interest costs of £0.14m relating to the Company's defined benefit pension scheme, resulted in an unaudited loss before tax of £0.25m in the six months to 30 June 2024 compared to an unaudited profit before tax of £0.13m in the comparable period in 2023.

The market continues to be highly competitive, and the Group remains cautious regarding the outlook for the remainder of the financial year. This is particularly the case given the recent lower levels of sales and order intake, the uncertainty caused by the change in government and the risk that the UK economy could re-enter recession as unemployment rises. There is also the potential for credit related issues should customers become insolvent.

Balance sheet

The Group had net assets of £3.98m at 30 June 2024 (£4.41m at 30 June 2023) compared to net assets of £4.25m at 31 December 2023. The reduction in net assets from 30 June 2023 is due to an increase in the pension scheme deficit and the net losses incurred. The Company made deficit reduction contributions totalling £133,000 in the six months to 30 June 2024 in line with the agreement with the pension scheme's Trustee.

Cashflow

The Group had net debt of £0.1m at 30 June 2024 (net cash of £0.4m at 30 June 2023) compared to net cash of £0.2m at 31 December 2023. The net cash outflow in the six months to 30 June 2024 of £0.3m is mainly due to capital expenditure. The Group continues to operate within its existing banking facilities and the Directors continue to believe that the Group has additional funding options available should the need arise.

Board Composition

The Board continues to believe that it would benefit from the appointment of a further Non-Executive Director which the Board is continuing to explore.

Dividend

Due to the net loss incurred, the uncertain outlook and the agreement with the pension scheme Trustee, the Board has decided not to declare an interim dividend.

Statement by the Chairman (continued)

People

We would like to thank our employees for their hard work during continued challenging times.

Andrew Kitchingman
Non-Executive Chairman

For further information please contact:

H C Slingsby plc

Andrew Kitchingman Non-Executive Chairman
Morgan Morris, Group Chief Executive

01274 535 030

Allenby Capital Limited (Nominated Advisor and Broker)

Alex Brearley/George Payne

020 3328 5656

Unaudited Condensed Consolidated Income Statement for the half year ended 30 June 2024

	Note	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
Revenue		10,766	11,458	22,642
Operating profit before exceptional items		78	329	630
Exceptional item	3	(200)	-	-
Finance income		8	-	12
Finance costs		(138)	(132)	(285)
(Loss)/profit before taxation		(252)	197	357
Taxation	2	1	(68)	(124)
(Loss)/profit for the period attributable to equity shareholders		(251)	129	233
Basic and diluted weighted average earnings per share		(24.0p)	12.3p	22.2p

The results set out above derive entirely from continuing operations.

The above unaudited condensed consolidated income statement should be read in conjunction with the accompanying notes.

Unaudited Consolidated Statement of Comprehensive Income and Expense for the half year ended 30 June 2024

	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
(Loss)/profit for the period	(251)	129	233
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	(19)	(49)	(408)
Movement in deferred tax relating to retirement benefit obligation	5	12	102
Other comprehensive expense	(14)	(37)	(306)
Total comprehensive (expense)/income recognised for the period attributable to equity shareholders	(265)	92	(73)

The above unaudited consolidated statement of comprehensive income and expense should be read in conjunction with the accompanying notes.

Unaudited Consolidated Balance Sheet as at 30 June 2024

	30/06/24 (Unaudited) £'000	30/06/23 (Unaudited) £'000	31/12/23 (Audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	5,441	5,357	5,355
Intangible assets	243	315	293
Goodwill	700	700	700
Deferred tax asset	1,448	1,369	1,443
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	7,832	7,741	7,791
	-----	-----	-----
Current assets			
Inventories	2,565	2,695	2,643
Trade and other receivables	3,179	3,285	2,961
Cash and cash equivalents	2,449	2,464	2,449
Derivative financial asset	3	-	-
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	8,196	8,444	8,053
	-----	-----	-----
Liabilities			
Current liabilities			
Trade and other payables	(2,866)	(3,307)	(2,708)
Bank borrowings	(2,526)	(2,031)	(2,244)
Lease obligations	(21)	(20)	(21)
Derivative Financial Liability	-	(7)	(2)
Current tax liabilities	(91)	(154)	(91)
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	(5,504)	(5,519)	(5,066)
	-----	-----	-----
Net current assets	2,692	2,925	2,987
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Non-current liabilities			
Retirement benefit obligation	(5,793)	(5,475)	(5,772)
Lease obligations	(82)	(103)	(92)
Deferred tax liabilities	(668)	(677)	(668)
	-----	-----	-----
Net assets	3,981	4,411	4,246
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Capital and reserves			
Share capital	262	262	262
Share premium	24	24	24
Retained earnings	3,695	4,125	3,960
	-----	-----	-----
Total equity	3,981	4,411	4,246
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The above unaudited consolidated balance sheet should be read in conjunction with the accompanying notes.

Unaudited Consolidated Statement of Changes in Shareholders' Equity

	Share Capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023	262	24	4,033	4,319
Total comprehensive income recognised for the period	-	-	92	92
At 30 June 2023	262	24	4,125	4,411
At 1 January 2024	262	24	3,960	4,246
Total comprehensive loss recognised for the period	-	-	(265)	(265)
At 30 June 2024	262	24	3,695	3,981

The above unaudited consolidated statement of changes in shareholders' equity should be read in conjunction with the accompanying notes.

Unaudited Consolidated Statement of Cash Flows for the half year ended 30 June 2024

	Note	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
Cash flows from operating activities				
Cash (used in)/generated from operations	4	(63)	611	656
UK corporation tax paid		-	-	(114)
Interest paid		-	(3)	(1)
Cash (used in)/generated from operating activities		(63)	608	541
Cash flows from investing activities				
Interest received		8	2	12
Purchase of property, plant and equipment		(255)	(74)	(201)
Purchase of intangible assets		(17)	(125)	(170)
Proceeds from sales of property, plant and equipment		58	6	23
Net cash outflow from investing activities		(206)	(191)	(336)
Cash flows from financing activities				
Capital element of lease payments		(13)	(10)	(26)
Increase/(decrease) in overdraft		282	(186)	27
Net cash generated from/(used in) financing activities		269	(196)	1
Net increase in cash and cash equivalents		-	221	206
Opening cash and cash equivalents		2,449	2,243	2,243
Closing cash and cash equivalents		2,449	2,464	2,449

Notes to the Interim Report for the half year ended 30 June 2024

1. Interim Financial Information

The unaudited condensed consolidated interim financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial statements, which are unaudited and have not been reviewed by the Company's auditors, have been presented and prepared in accordance with the policies set out in the 2023 Annual Report and Accounts. The comparative figures for the year ended 31 December 2023 do not constitute full financial statements and have been abridged from the full accounts for the year ended on that date, on which the auditors gave an unqualified report. They did not contain any statement under Section 498 of the Companies Act 2006. The 2023 accounts have been delivered to the Registrar of Companies. The Company has chosen not to adopt IAS 34 'Interim Financial Statements'.

2. Taxation

	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
Current tax	-	52	102
Deferred tax	(1)	16	22
	----- (1)	----- 68	----- 124

The effective tax rate is 25%.

3. Exceptional items

	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
Costs relating to Dominic Slingsby's retirement	200	-	-2
	----- 200	----- -	----- -4

4. Cash generated from/(used in) operations

	Half year ended 30/06/24 (Unaudited) £'000	Half year ended 30/06/23 (Unaudited) £'000	Year ended 31/12/23 (Audited) £'000
(Loss)/profit before tax	(252)	197	357
Net finance costs	130	135	273
Depreciation and amortisation	209	194	390
Defined benefit pension scheme contributions paid	(133)	(200)	(405)
Profit on sale of property, plant and equipment	(29)	(6)	(23)
Decrease/(increase) in inventories	78	(12)	40
Decrease/(increase) in trade and other receivables	(221)	(323)	1
Increase in trade and other payables	155	626	23
	----- (63)	----- 611	----- 656

4. Availability of Interim Report

The Interim Report will be available on the Company's website www.slingsby.com.