

RNS Number : 7228K
Slingsby(H.C.)Plc
23 April 2010

HC Slingsby plc ("the Company")

**Unaudited Preliminary Announcement for the year ended 31 December 2009
Statement by the Chairman**

As notified in our half yearly report released on 25 September 2009, sales during the first half were substantially below the level of the previous year and this trend continued during the second half of 2009. Sales for the full year of £15.8 million were approximately 19% down on 2008 (£19.6 million). Firm action has been taken to reduce costs, including further redundancies during the second half. Operating profit before exceptional items was £0.71 million (2008: £1.58 million).

The closure to future accrual on 31 March 2009 of the Company's defined benefit pension plan ("the Plan") resulted in an exceptional gain of £0.74 million (2008: £nil), partly offset by redundancy costs of £0.15 million (2008: £nil). The Company also incurred actuarial losses of £0.33 million, on the Plan mainly due to a reduction in the assumed inflation-adjusted discount rate reflecting reduced real corporate bond yields. The Company recorded an overall profit before tax of £1.01 million (2008: £1.61 million).

Despite the difficult trading conditions, our net cash position remained strong throughout. Closing net cash was £2.77 million (2008: £3.03 million) and the Company remains debt-free. During the year, we incurred capital expenditure of £0.35 million (2008: £0.45 million) primarily on IT, including our updated website which went live in June 2009. Customer reaction to the new site has been highly positive. We continue to invest in further enhancements to the site as well as other areas of IT, such as the development of electronic trading with key customers and suppliers.

Sales during the first quarter of 2010 were at a similar level to 2009. The Company is currently trading in line with the board's expectations and continues to maintain a net cash balance similar to the year-end level. Although the economic climate remains uncertain, your Company is in a strong position to benefit from an improvement in trading conditions when it comes and your board remains optimistic as to the Company's future prospects. On behalf of the board, I wish to thank our loyal staff for their considerable efforts in what has been a very difficult year.

Despite the tough economic environment, we are pleased to be able to recommend a final dividend, albeit less than the previous year, of 30.0p (2008: 42.0p). The total dividend is therefore 34.0p (2008: 50.0p). The record date will be 4 June 2010 and the payment date 2 July 2010.

John Waterhouse
Non-Executive Chairman
23 April 2010

Registered Office
Otley Road
Baildon, Shipley
West Yorkshire BD17 7LW

For further information, please contact:

H C Slingsby plc

Tel: 01274 535 030

Dominic Slingsby, Managing Director
Ray Hudson, Financial Director

Evolution Securities Limited
Joanne Lake
Peter Steel

Tel: 0113 243 1619

Unaudited Consolidated Income Statement for the year ended 31 December 2009

	Note	Year ended 31/12/09 £'000	Year ended 31/12/08 £'000
Turnover		15,833	19,640
Operating profit before exceptional items		707	1,580
Exceptional items	2	592	-
Operating profit		1,299	1,580
Finance income		42	136
Finance expense		(334)	(110)
Profit before taxation		1,007	1,606
Taxation		(192)	(776)
Profit for the period attributable to equity shareholders		815	830
Basic and diluted earnings per share		81.5p	83.0p

The results set out above derive entirely from continuing operations.

Unaudited Statement of Consolidated Recognised Income and Expense for the year ended 31 December 2009

	Notes	Year ended 31/12/09 £'000	Year ended 31/12/08 £'000
Actuarial loss on pension scheme		(1,355)	(2,917)
Movement in deferred tax relating to retirement benefit obligation		379	817
Exchange adjustment		(22)	51
Net expense recognised directly in equity		(998)	(2,049)
Profit for the year		815	830
Total recognised expense for the year attributable to equity shareholders		(183)	(1,219)

Unaudited Group Balance Sheet as at 31 December 2009

Notes	31/12/09 £'000	31/12/08 £'000
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Assets		
Non-current assets		
Property, plant and equipment	6,972	7,143
Deferred tax asset	861	616
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	7,833	7,759
	-----	-----
Current assets		
Inventories	1,387	1,732
Trade and other receivables	2,672	3,051
Cash and cash equivalents	2,775	3,029
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	6,834	7,812
	-----	-----
Liabilities		
Current liabilities		
Trade and other payables	(2,030)	(2,797)
Current tax liabilities	(72)	(253)
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	(2,102)	(3,050)
	-----	-----
Net current assets	4,732	4,762
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Non-current liabilities		
Retirement benefit obligation	(6,412)	(5,687)
	-----	-----
Net assets	6,153	6,834
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Capital and reserves		
Called up share capital	250	250
Retained earnings	5,867	6,526
Translation reserve	36	58
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Total equity	6,153	6,834
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Unaudited Consolidated Cash Flow Statement for the year ended 31 December 2009

	Note	Year ended 31/12/09 £'000	Year ended 31/12/08 £'000
Cash flows from operating activities			
Cash generated from operations	3	793	1,646
Interest received		50	129
Interest paid on finance leases		-	(45)
UK corporation tax paid		(237)	(274)
		-----	-----
Cash generated from operating activities		606	1,456
		-----	-----
Cash flows from investing activities			
Purchase of property, plant and equipment		(352)	(449)
Proceeds from sales of property, plant and equipment		14	40
		-----	-----
Net cash used in investing activities		(338)	(409)

Cash flows from financing activities		
Equity dividends paid	(500)	(470)
Capital element of finance leases	-	(251)
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Net cash used in financing activities	(500)	(721)
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(232)	326
Opening cash and cash equivalents	3,029	2,652
Exchange differences	(22)	51
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Closing cash and cash equivalents	2,775	3,029
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Statement of Changes in Shareholders' Equity

Group	Share capital £'000	Retained earnings £'000	Translation Reserve £'000	Total Equity £'000
1 January 2008	250	8,268	7	8,525
Total recognised income for the year	-	(1,272)	51	(1,221)
Dividends paid	-	(470)	-	(470)
1 January 2009	250	6,526	58	6,834
Total recognised income for the year	-	(159)	(22)	(181)
Dividends paid	-	(500)	-	(500)
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31 December 2009	250	5,867	36	6,153
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The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

Notes to the unaudited Preliminary Announcement for the year ended 31 December 2009

- The unaudited preliminary results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The preliminary announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information included in this preliminary announcement does not include all the disclosures required by IFRS or the Companies Act 2006 and accordingly it does not itself comply with IFRS or the Companies Act 2006. This announcement has been agreed with the Company's auditors for release.

The financial statements for the year ended 31 December 2009, upon which the auditors have still to report, will be issued to shareholders on 19 May 2010 and will be available to members of the public at the registered office of the Company from that date. The statutory accounts for the year ended 31 December 2009 will be delivered to the Registrar following the Company's Annual General Meeting.

The Annual General Meeting will be held at 10.00 a.m. on 17 June 2010 at H C Slingsby plc (Head Office), Otley Road, Baildon, Shipley, BD17 7LW.

2. Exceptional items

	Year ended 31/12/09 £'000	Year ended 31/12/08 £'000
Pension curtailment gain	739	-
Redundancy costs	(147)	-
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	592	-

3. Reconciliation of operating profit to net cash inflow from operating activities	-----	-----
	Year ended	Year ended
	31/12/09	31/12/08
	£'000	£'000
Operating profit	1,299	1,580
Depreciation and amortisation	448	612
Profit on sale of property, plant and equipment	-	(1)
Difference between pension charge and contributions	(964)	(189)
Decrease/(increase) in inventories	345	(279)
Decrease in trade and other receivables	371	245
(Decrease) in trade and other payables	(706)	(322)
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Net cash inflow from operating activities	793	1,646
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4. Dividends

The interim and final dividends for the 2008 financial year of 8.0p and 42.0p respectively, totalling £500,000, were paid and deducted from reserves in the year. The dividends for the 2007 financial year totalling £470,000 were paid and deducted from reserves in 2008.

This information is provided by RNS
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