

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. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

7 April 2025

**H C SLINGSBY PLC**  
**(“Slingsby” or the “Company” or the “Group”)**

**Audited Results for the year ended 31 December 2024**

**Statement by the Chairman**

**Board Composition**

Following my appointment as independent non-executive Chairman on 12 September 2023 and the retirement of Dominic Slingsby, the Board comprises myself and Morgan Morris. The Board believes that it would benefit from the appointment of another independent non-executive Director and will continue to look for suitable candidates.

**Formal Sale Process**

On 11 February 2025 the Company commenced a Formal Sale Process following a review of various strategic options available to the Group and having determined that it would be appropriate to investigate the sale of the Company and the Board decided to undertake a "Formal Sale Process" (as referred to in Note 2 on Rule 2.6 of the Takeover Code).

On 1 April 2025 the Company announced the conclusion of the Formal Sale Process having not received a proposal that would lead to an offer for the Company.

**Results**

In the Chairman's statement accompanying the Report for the half year ended 30 June 2024 I reported an unaudited operating profit before tax and exceptional items of £0.1m (2023: £0.3m) and sales that were 6% lower than the same period in the prior year at £10.8m (2023: £11.5m). Included in those results was an exceptional cost of £0.2m relating to the payment for loss of office for Dominic Slingsby and £0.14m of interest costs relating to the defined benefit pension scheme, resulting in a loss before tax in the six months to 30 June 2024 of £0.25m (2023: profit of £0.13m).

On 15 October 2024, the Group issued a trading update following an 11% decline in sales in the three months to 30 September 2024 compared to the same period in 2023. The directors considered that the lower level of sales was due to fewer sales of seasonal products, and customers reducing or deferring spending following cost increases caused by factors such as the increase in the minimum wage and uncertainty around the impact of future tax and regulatory changes leading up to the Budget announcement made in October 2024.

This reduction in sales resulted in an unaudited loss before tax for the nine months to the end of September 2024 of £0.53m (after the costs associated with the payment for loss of office for Dominic Slingsby of £0.2m and interest costs of £0.20m relating to the Company's defined benefit pension scheme). The unaudited profit before tax for the nine months to 30 September 2023 was £0.27m.

The full year operating loss before exceptional items was £0.12m (2023: operating profit of £0.63m) on sales 8% lower than prior year of £20.8m (2023: £22.6m). Gross margin declined from 35.9% to 34.6% due to cost price increases and a change in sales mix. Exceptional costs of £0.38m (2023: £nil) have been recognised in the year and further information can be found below. These exceptional costs, together with interest relating to the defined benefit pension scheme of £0.27m (2023: £0.29m), led to a loss before taxation for the 2024 full year of £0.77m (2023: profit of £0.36m).

The Directors use adjusted profit measures in addition to the statutory performance measures to assess performance of the Group. Group earnings before exceptional items, interest, tax, depreciation and amortisation ("EBITDA") in the year ended 31 December 2024 were £0.34m (2023: £1.02m). A reconciliation of EBITDA is shown below.

The Group had net debt (after overdraft and invoice finance balances included in trade and other payables) as at 31 December 2024 of £0.55m (2023: net cash of £0.21m). The decrease in cash of £0.76m was due to lower EBITDA, the cash outflow relating to the exceptional items of £0.24m, capital expenditure (which includes certain assets acquired as part of a trade and asset purchase) of £0.42m, and pension scheme deficit reduction payments of £0.16m.

## Exceptional Items

The Group has incurred costs of £0.38m (2023: £nil) within the year which the Board have classified as exceptional items within the financial statements.

£0.2m of exceptional costs relate to the payment for the loss of office to Dominic Slingsby following his retirement from the Board in March 2024. The Board believe this to be an exceptional item due to its size and non-recurring nature.

£0.18m of exceptional costs relate to a bonus paid to Morgan Morris. Under powers governing the issue of shares granted at the last Annual General Meeting, the Company issued 52,500 shares to Morgan Morris which he paid for from the proceeds of a bonus of £157,500. Under the terms of the bonus payment, Morgan Morris had to use the proceeds of the bonus payment (£157,500) to pay for the shares issued in the Company. The Board have accounted for this re-payment to the Company as an increase in the share premium (reflecting the amount paid for the shares in excess of their nominal value of 25p. The total cost to the Company was £0.18m inclusive of employer's national insurance contributions. The Board believes this to be an exceptional item due to its size and non-recurring nature.

## Reconciliation of Adjusted Profit Measures to the Financial Statements

Throughout the financial statements, the Board have used different metrics to explain the performance of the business. A reconciliation has been provided below to the financial statements.

Operating (loss)/profit before exceptional items is calculated by:

<b>£'000</b>	<b>2024</b>	<b>2023</b>
Operating (loss)/profit	<b>(501)</b>	630
Payment for loss of office for Dominic Slingsby	<b>(199)</b>	-
Bonus payment to Morgan Morris	<b>(179)</b>	-
	<b>-----</b>	<b>-----</b>
Operating (loss)/profit before exceptional items	<b>(123)</b>	630
	<b>-----</b>	<b>-----</b>

Net (debt)/cash is calculated by:

<b>£'000</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	<b>2,366</b>	2,449
Invoice finance facility	<b>(755)</b>	-
Overdraft balances	<b>(2,164)</b>	(2,244)
	<b>-----</b>	<b>-----</b>
Net (debt)/cash	<b>(553)</b>	205
	<b>-----</b>	<b>-----</b>

EBITDA before exceptional items is calculated by:

<b>£'000</b>	<b>2024</b>	<b>2023</b>
Operating (loss)/profit	<b>(501)</b>	630
Exceptional items	<b>378</b>	-
Depreciation of tangible assets	<b>293</b>	264
Amortisation of intangible asset	<b>173</b>	126
	<b>-----</b>	<b>-----</b>
EBITDA before exceptional items	<b>343</b>	1,020
	<b>-----</b>	<b>-----</b>

## Acquisition

On 1 October 2024, the Group acquired the trade and certain assets of A&B Industrial Services (North East) Limited ("ABIS"). Established over 45 years ago, ABIS sells a similar product range to the Group and complements a part of the business which the Group acquired with Stakrak in April 2023.

## Dividend

As part of the agreement reached with the Trustee of the defined benefit pension scheme, the Board is unable to declare a final dividend for the year ended 31 December 2024 (2023: £nil).

## **Pension Scheme**

On 26 March 2024, the Company announced that it had agreed a new Schedule of Contributions and Recovery Plan with the Trustee, which replaced the previous Scheme funding obligations. The new agreement, provided for a new phasing of deficit reduction contributions, which represented a short-to medium term total cash saving to the Group over the years 2024, 2025 and 2026 of approximately £390,000 when compared to the previous arrangement.

The Company paid £0.16m (2023: £0.40m) in deficit reduction contributions during 2024 which included an additional payment of £14,000 under the agreement with the Trustee to share cash generated in excess of £150,000. The Company also continues to contribute £0.16m (2023: £0.16m) towards the scheme's running costs. In 2024 the Group recognised an expense of £52,000 in its income statement representing costs relating to 2023 incurred by the Scheme above the £160,000 costs cap. These costs were reimbursed to the Company by the Scheme in 2024 and have been recognised in the Group's income statement in line with IAS19 at the time of the cash outflow to the Scheme.

At 31 December 2024, the pension scheme deficit was £5.78m (2023: £5.77m). The pension position remained comparable as a fall in scheme assets was offset by lower scheme liabilities due mainly to an increase in the discount rate.

## **Recent Trading**

Group sales in the two months ended 28<sup>th</sup> February 2025 against the same period in the prior year fell by 7%. The decline in sales despite lower overhead costs, led to an unaudited operating profit of £0.05m compared to an unaudited operating profit of £0.09m in the equivalent period in 2024. Unaudited profit before tax in the two months ended 28<sup>th</sup> February 2025 was £1,000 (2024: £51,000).

Net debt at 28 February 2025 was £0.26m (2024: net cash of £0.23m) compared to net debt at 31 December 2024 of £0.55m.

The market remains competitive, and the Board is cautious regarding the outlook. There remains uncertainty in the economy due to the risk of a recession in the UK and inflationary pressures in employment and other costs. These pressures could result in a fall in demand for the Group's products.

## **Future Developments**

The Group continues to invest in its digital market presence and a new e-commerce platform for the Slingsby business launched during October 2024. A new website for ESE Direct Limited ("ESE") is scheduled to go live at the end of Q2 2025. The Board believes that deploying e-commerce initiatives with our customers will produce efficiencies as well as growth opportunities.

The Group remains on the lookout for appropriate acquisitions.

The Group continues to build upon its strengths in omni-channel selling by enhancing its e-commerce offerings and sales teams. The Group has various initiatives underway to grow sales within both its existing core markets and certain geographies where it considers it could compete with incumbents.

Finally, I would like to thank our staff across the Group for their efforts in 2024. This year has represented one of significant change and challenge for the Group and the hard work of our employees is much appreciated

A. J. Kitchingman  
Chairman

7 April 2025

For further information, please contact:

### **H C Slingsby PLC**

Andrew Kitchingman, Chairman  
Morgan Morris, Group Chief Executive

Tel: 01274 535 030

### **Allenby Capital Limited (Nominated Adviser & Broker)**

Alex Brearley/Ashur Joseph (Corporate Finance)  
Amrit Nahal (Sales and Corporate Broking)

Tel: 020 3328 5656

## Consolidated Income Statement for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue		20,773	22,642
Cost of Sales		(13,587)	(14,511)
Gross Profit		7,186	8,131
Distribution costs		(4,756)	(5,078)
Administrative expenses		(2,931)	(2,423)
Operating (loss)/profit before exceptional items		(123)	630
Exceptional items		(378)	-
Operating (loss)/profit		(501)	630
Finance income		10	12
Finance costs		(278)	(285)
(Loss)/profit before taxation and exceptional items		(391)	357
Exceptional items		(378)	-
(Loss)/profit before taxation		(769)	357
Taxation		168	(124)
(Loss)/profit for the year attributable to owners of the parent		(601)	233
Basic and diluted(loss)/ earnings per share	3	(56.8p)	22.2p

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	2024 £'000	2023 £'000
(Loss)/profit for the year	(601)	233
Items that will not be classified to profit or loss:		
Re-measurements of post-employment benefit obligation	153	(408)
Movement in deferred tax relating to retirement benefit obligation	(39)	102
Other comprehensive income/(expense)	114	(306)
Total comprehensive expense or the year attributable to equity shareholders	(487)	(73)

All total comprehensive (expense)/income of the Group arise from continuing operations.

## Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
<b>1 January 2023</b>	262	24	4,033	4,319
Profit for the year	-	-	233	233
Other comprehensive expense for the year	-	-	(306)	(306)
	-----	-----	-----	-----
Total comprehensive expense for the year	-	-	(73)	(73)
	-----	-----	-----	-----
<b>1 January 2024</b>	262	24	3,960	4,246
Loss for the year	-	-	(601)	(601)
Other comprehensive income for the year	-	-	114	114
	-----	-----	-----	-----
Total comprehensive expense for the year	-	-	(487)	(487)
Issue of shares	14	144	-	158
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<b>31 December 2024</b>	276	168	3,473	3,917
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## Consolidated Balance Sheet as at 31 December 2024

	Note	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,270	5,355
Intangible assets		323	293
Goodwill		700	700
Deferred tax asset		896	1,443
		-----	-----
		7,189	7,791
		-----	-----
<b>Current assets</b>			
Inventories		2,672	2,643
Trade and other receivables		2,936	2,961
Derivative financial asset		19	-
Cash and cash equivalents		2,366	2,449
		-----	-----
		7,993	8,053
		-----	-----
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		(5,396)	(5,043)
Derivative financial liability		-	(2)
Finance lease obligations		(22)	(21)
		-----	-----
		(5,418)	(5,066)
		-----	-----
<b>Net current assets</b>		2,575	2,987
		-----	-----
<b>Non-current liabilities</b>			
Lease obligations		(70)	(92)
Retirement benefit obligation	2	(5,777)	(5,772)
Deferred tax liabilities		-	(668)
		-----	-----
<b>Net assets</b>		3,917	4,246
		-----	-----
<b>Capital and reserves</b>			
Share capital		276	262
Share premium		168	24
Retained earnings		3,473	3,960
		-----	-----
<b>Total equity</b>		3,917	4,246
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## Consolidated Cash Flow Statement for the year ended 31 December 2024

		2024 £'000	2023 £'000
	Note		
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	5	(475)	656
Interest paid		(2)	(1)
UK corporation tax paid		(83)	(114)
		-----	-----
<b>Cash (used in) / generated from operating activities</b>		<b>(560)</b>	<b>541</b>
		-----	-----
<b>Cash flows from investing activities</b>			
Interest received		10	12
Purchase of property, plant and equipment		(262)	(201)
Proceeds from sales of property, plant and equipment		77	23
Purchase of intangible assets		(155)	(170)
		-----	-----
<b>Net cash used in investing activities</b>		<b>(330)</b>	<b>(336)</b>
		-----	-----
<b>Cash flows from financing activities</b>			
Proceeds from share issue		158	-
Capital element of lease payments		(26)	(26)
Increase in invoice financing		755	-
(Decrease)/increase in overdraft		(80)	27
		-----	-----
<b>Net cash generated from financing activities</b>		<b>807</b>	<b>1</b>
		-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(83)</b>	<b>206</b>
		-----	-----
Opening cash and cash equivalents		2,449	2,243
		-----	-----
<b>Closing cash and cash equivalents</b>		<b>2,366</b>	<b>2,449</b>
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Cash and cash equivalents included above is the gross value and does not include amounts due in relation to the bank overdraft and invoice finance facilities of £2.92m (2023: £2.24m) in the values presented above.

## Notes to the Preliminary Results for the year ended 31 December 2024

1. The preliminary financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 for the financial year ended 31 December 2024 but has been extracted from those accounts. The annual accounts for the year ended 31 December 2024 have been prepared in accordance with UK Adopted International Accounting Standards. The financial information included in this preliminary announcement does not include all the disclosures required in accounts prepared in accordance with UK Adopted International Accounting Standards and accordingly it does not itself comply with UK Adopted International Accounting Standards.

The accounting policies used in the preparation of these preliminary results have remained unchanged from those set out in the statutory accounts for the year ended 31 December 2023. They are also consistent with those in the full accounts for the year ended 31 December 2024 which have yet to be published.

The auditors have reported on the accounts for the year ended 31 December 2024 and their opinion was unqualified, did not include any matters to which the auditor drew attention by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The comparative information included in this preliminary announcement has been extracted from the statutory accounts for the year ended 31 December 2023. The auditors reported on these accounts and their opinion was unqualified, did not include any matters to which the auditor drew attention by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies and those for the financial year ended 31 December 2024 will be delivered following the Company's annual general meeting.

### 2. Exceptional items

	2024	2023
	£'000	£'000
Payment for loss of office for Dominic Slingsby	199	-
Bonus issued to Morgan Morris	180	-
	<u>378</u>	<u>-</u>

The Group has incurred costs of £378,000 (2023: £nil) within the year which the Board have classified as exceptional items within the financial statements.

£199,000 of exceptional costs relate to the payment for the loss of office to Dominic Slingsby following his retirement from the Board in March 2024. The Board believe this to be an exceptional item due to its size and non-recurring nature.

£180,000 of exceptional costs relate to a bonus paid to Morgan Morris. Under powers governing the issue of shares granted at the last Annual General Meeting, the Company issued 52,500 shares to Morgan Morris which he paid for from the proceeds of a bonus of £157,500. Under the terms of the bonus payment, Morgan Morris had to use the proceeds of the bonus payment (£157,500) to pay for the shares issued in the Company. The Board have accounted for this re-payment to the Company as an increase in the share premium (reflecting the amount paid for the shares in excess of their nominal value of 25p). The total cost to the Company was £180,000 inclusive of employer's national insurance contributions. The Board believes this to be an exceptional item due to its size and non-recurring nature.

### 3. Retirement benefit obligation

	2024	2023
	£'000	£'000
Present value of funded obligation	(13,930)	(15,056)
Fair value of scheme assets	8,153	9,284
Net liability in balance sheet	<u>(5,777)</u>	<u>(5,772)</u>

**4. Loss / (earnings) per share**

Basic earnings per share is based upon a loss of £601,000 (2023: profit of £233,000) and on 1,058,918 (2023: 1,050,000) weighted average ordinary shares in issue during the year.

There is no difference between basic earnings per share and diluted earnings per share for both years as there are no potentially dilutive shares in issue.

**5. Cash (used in)/ generated from operating activities**

	2024	2023
	£'000	£'000
(Loss)/profit before tax	(769)	357
Net finance costs	268	273
Depreciation and amortisation	466	390
Defined benefit pension scheme contributions paid	(165)	(405)
Amounts reimbursed from pension scheme	52	-
Profit on sale of property, plant and equipment	(23)	(23)
(Increase)/decrease in inventories	(29)	40
Decrease/(increase) in trade and other receivables	25	1
(Decrease)/increase in trade and other payables	(279)	21
(Increase)/decrease in derivative financial instruments	(21)	2
Cash (used in)/generated from operating activities	(475)	656

**6. Dividends**

No dividends were paid or declared during 2023 or 2024, and the Directors are not proposing any final dividend be payable in respect of the year ended 31 December 2024.

**7. Availability of Report and Accounts**

The financial statements for the year ended 31 December 2024, containing a notice of the Annual General Meeting will be posted to shareholders shortly and will be available on the Company's website [www.slingsby.com/investor-relations](http://www.slingsby.com/investor-relations).