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.

23 April 2024

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

Audited Results for the year ended 31 December 2023

Statement by the Chairman

Board Composition
I was pleased to be appointed as independent Non-Executive Chairman of the company on 12 September 2023. My appointment has improved the level of independence on the Board, although the Board believes that it would benefit from the appointment of another independent Non-Executive Director and intends to make such an appointment in due course.

On 11 March 2024, Dominic Slingsby resigned from the board. Dominic remains as an employee and will leave the Group on 30 June 2024 after over 40 years’ service. On behalf of the Board, I would like to thank Dominic for his commitment and contribution during his tenure. His dedication will be missed by everyone at Slingsby, and we wish him the very best in his retirement.

Results
In the half year statement, an operating profit of £0.33m on sales of £11.5m was reported. The full year operating profit was £0.63m (2022: £0.63m) on sales of £22.6m (2022: £21.6m). Group sales increased by 5%, helped by the acquisition of certain assets of the Stakrak business. Gross margin improved despite the insolvency of our main logistics partner in June 2023, but higher overheads and interest relating to the defined benefit pension scheme, led to a reduced profit before taxation of £0.36m (2022: £0.49m).

Group earnings before interest, tax, depreciation and amortisation (“EBITDA”) in the year ended 31 December 2023 were £1.02m (2022: £1.09m). The Group had net cash (after overdraft balances included in trade and other payables) as at 31 December 2023 of £0.21m (2022: £0.03m). The increase in cash was due to EBITDA offsetting capital expenditure, the costs of the acquisition of certain assets of the Stakrak business and pension scheme deficit reduction payments.

Dividend
As part of the agreement reached with the Trustee of the defined benefit pension scheme (discussed below), the Board is unable to declare a final dividend for the year ended 31 December 2023 (2022: £nil).

Pension Scheme
The Company paid £0.40m (2022: £0.35m) in deficit reduction contributions during 2023. The Company also continues to contribute £0.16m (2022: £0.16m) towards the scheme’s running costs. Following the triennial valuation which took place as of 1 January 2023, the Company has agreed with the Trustee of its defined benefit pension scheme to pay a lower level of deficit reduction contributions than under its previous agreement over 2024, 2025 and 2026. This will result in a short term cash saving to the Group of approximately £0.39m, but does not alter the obligation upon the Company to fund the scheme deficit.

As part of the agreement, the Company has committed to not making dividend payments in respect of the 2023 and 2024 financial years. At 31 December 2023, the pension scheme deficit increased by £0.28m to £5.77m (2022: £5.49m). This deterioration in the pension scheme position outweighed the profit generated in the year, decreasing the Group’s net assets to £4.2m (2022: £4.3m). The worsened pension position was largely due to decreases in the discount rate.

Recent Trading and Future Developments
Group sales in Q1 of 2024 against the same period in 2023 fell by 5%. This decline in sales and the inclusion of costs associated with the retirement of Dominic Slingsby of £0.2m, led to an unaudited loss before tax in Q1 2024 of £0.14m compared to an unaudited profit before tax of £0.12m in the same period in 2023.

The market remains competitive, and the Board is cautious regarding the outlook. There remains uncertainty in the economy due to the risk of a prolonged recession in the UK, inflationary pressures (particularly in overhead costs) and the impact on the supply chain from the situation in the Red Sea. These pressures could result in a fall in demand for the Group’s products.

The Group continues to invest in its digital market presence and a new e-commerce platform for the Slingsby business will launch during 2024. The Group also remains on the lookout for appropriate acquisitions.

Finally, I would like to thank our staff across the Group for their efforts in 2023. The Group has faced numerous challenges in recent years which were overcome due to the positive attitude and hard work of our employees.

A. J. Kitchingman
Chairman

23 April 2024

For further information, please contact:

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Andrew Kitchingman, Chairman
Morgan Morris, Group Chief Executive

Allenby Capital Limited (Nominated Adviser & Broker) Tel: 020 3328 5656
Alex Brearley/George Payne (Corporate Finance)
Amrit Nahal (Sales and Corporate Broking)

Consolidated Income Statement for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue		22,642	21,564
Cost of Sales		(14,511)	(14,108)
Gross Profit		8,131	7,456
Distribution costs		(5,078)	(4,443)
Administrative expenses		(2,423)	(2,386)
Operating profit		630	627
Finance income		12	-
Finance costs		(285)	(142)
Profit before taxation		357	485
Taxation		(124)	(105)
Profit for the year attributable to owners of the parent		233	380
Basic and diluted earnings per share	3	22.2p	36.2p

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	2023 £'000	2022 £'000
Profit for the year	233	380
Items that will not be classified to profit or loss:		
Re-measurements of post-employment benefit obligation	(408)	2,235
Movement in deferred tax relating to retirement benefit obligation	102	(559)
Other comprehensive (expense)/income	(306)	1,676
Total comprehensive (expense)/income for the year attributable to equity shareholders	(73)	2,056

Consolidated Balance Sheet as at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current assets			
Property, plant and equipment		5,355	5,418
Intangible assets		293	249
Goodwill		700	700
Deferred tax asset		1,443	1,373
		7,791	7,740
Current assets			
Inventories		2,643	2,683
Trade and other receivables		2,961	2,962
Derivative financial asset		-	-
Cash and cash equivalents		2,249	2,243
		8,053	7,888
Liabilities			
Current liabilities			
Trade and other payables		(5,043)	(5,007)
Derivative financial liability		(2)	-
Finance lease obligations		(21)	(20)
		(5,066)	(5,027)
Net current assets		2,987	2,861
Non-current liabilities			
Lease obligations		(92)	(113)
Retirement benefit obligation	2	(5,772)	(5,492)
Deferred tax liabilities		(668)	(677)
Net assets		4,246	4,319
Capital and reserves			
Share capital		262	262
Share Premium		24	24
Retained earnings		3,960	4,033
Total equity		4,246	4,319

Cash and cash equivalents included above is the gross value and does not included amounts due in relation to the bank overdraft of £2.24m (2022: £2.22m) in the values presented above.

Consolidated Cash Flow Statement for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Cash generated from/(used in) operations	4	656	(27)
Interest paid		(1)	-
UK corporation tax paid		(114)	(49)
Cash generated from/(used in) operating activities		541	(76)
Cash flows from investing activities			
Interest received		12	-
Purchase of property, plant and equipment		(201)	(211)
Proceeds from sales of property, plant and equipment		23	24
Purchase of intangible assets		(170)	(22)
Net cash used in investing activities		(336)	(209)
Cash flows from financing activities			
Capital element of lease payments		(26)	(35)
Increase in overdraft		27	564
Net cash generated from financing activities		1	529
Net increase in cash and cash equivalents		206	244
Opening cash and cash equivalents		2,243	1,999
Closing cash and cash equivalents		2,449	2,243

Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
1 January 2022	262	24	1,977	2,263
Profit for the year	-	-	380	380
Other comprehensive income for the year	-	-	1,676	1,676
Total comprehensive income for the year	-	-	2,056	2,056
1 January 2023	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)
31 December 2023	262	24	3,960	4,246

Notes to the Preliminary Results for the year ended 31 December 2023

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 2023 but has been extracted from those accounts. The annual accounts for the year ended 31 December 2023 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 2022. They are also consistent with those in the full accounts for the year ended 31 December 2023 which have yet to be published.

The auditors have reported on the accounts for the year ended 31 December 2023 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 2022. 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 2022 have been delivered to the Registrar of Companies and those for the financial year ended 31 December 2023 will be delivered following the Company's annual general meeting.

2. Retirement benefit obligation

	2023	2022
	£'000	£'000
Present value of funded obligation	(15,056)	(14,735)
Fair value of scheme assets	9,284	9,243
Net liability in balance sheet	(5,772)	(5,492)

3. Earnings per share

Basic earnings per share is based upon a profit of £233,000 (2022: £380,000) and on 1,050,000 (2022: 1,050,000) ordinary shares in issue during the year.

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

4. Cash generated from/(used in) operating activities

	2023	2022
	£'000	£'000
Profit before tax	357	485
Net finance costs	273	142
Depreciation and amortisation	390	464
Defined benefit pension scheme contributions paid	(405)	(352)
Profit on sale of property, plant and equipment	(23)	(24)
Decrease/(Increase) in inventories	40	(353)
Decrease/(Increase) in trade and other receivables	1	(192)
Increase/(decrease) in trade and other payables	23	(197)
Cash generated from/(used in) operating activities	656	(27)

5. Dividends

No dividends were paid or declared during 2022 or 2023 and the Directors are not proposing any final dividend be payable in respect of the year ended 31 December 2023.

6. Availability of Report and Accounts

The financial statements for the year ended 31 December 2023, 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.