

Regulatory Announcement

[Go to market news section](#)



Company	Solid State PLC
TIDM	SSP
Headline	Interim Results
Released	08:48 23-Dec-08
Number	6620K08

RNS Number : 6620K
Solid State PLC
23 December 2008

Solid State plc (the "Group")

CHAIRMAN'S STATEMENT Unaudited Interim Results for the six months ended 30th September 2008

Results

The unaudited pre-tax profit for the Group for the six months ended 30th September 2008 was £321,000 (2007: £160,000) on a turnover of £6,211,000 (2007: £5,087,000). The basic earnings per share for the six months period amounted to 3.9p (2007: 2.0p). The pre-tax profit for the six months ended 30th September 2007 is stated after charging non-recurring costs of re-organisation at Paddock Wood of £58,000.

Trading Review

The key performance indicators measured by management are sales, bookings and gross profit margin. Bookings are sales orders received.

Solid State Supplies

As reported previously, trading conditions in the component distribution market have been difficult throughout the period under review and we believe this is now set to continue in 2009. We have furthered our introduction of new franchises, strengthening our ability to supply crucial components in a wide range of applications. This has helped us to maintain sales at the same level compared with the first half of FY 07/08, with bookings exceeding billings by a ratio of 1.06:1 during this period. However, margins were eroded owing to the weakness of sterling, principally against the euro, which led to Solid State Supplies recording a small loss during the first half of this year.

We will continue to keep operating costs under active review and explore acquisition opportunities in the component market so placing us in a better position to take advantage of any market upturn.

Steatite and Wordsworth Technology

Despite the difficult market, trading for the first period has been strong in both companies with sales in Steatite up 30.1% compared to the same period last year whilst Wordsworth sales were up 32.2% compared to the same period last year. Both companies saw significant improvement in military related contracts delayed from the previous year as reported.

Gross profit margins in Steatite rose from 27.2% in the corresponding period last year to 29.1% but in Wordsworth fell from 35.2% to 28.8%. Nevertheless the higher turnover levels ensured that the level of gross profit overall increased by £219,000 over the corresponding period and net profit increased by £110,000.

The market will remain difficult and all forecasts suggest we are heading for a very unsettled period. However, the strategy that is being pursued has been effective in capitalising on markets least affected by the downturn. The directors are cautiously optimistic for 2009, with a strong order book and new product designs, that should add more technological capability to enhance the Group's position as a leading supplier of industrial computer and battery products.

Summary

These results record a strong start to the year with the increase in pre-tax profit from £160,000 to £321,000 representing a sound result at a time when all the markets in which the Group operates are subject to uncertainty. The decline in the value of sterling against the US dollar and the euro will continue to have an impact on gross profit margins, which have declined across the Group from 31.1% for the first half of last year to 28.3% in the first half of this year. However, this is more than offset by the 22.1% increase in Group turnover between the two periods and across the Group the order book remains strong despite the uncertain economy.

Dividends

A final dividend of 1.25p per share was paid in respect of the year ended 31st March 2008 meaning that the total dividend paid in respect of the year was 2p per share. The directors are pleased to announce that in the light of the result for the

first half year, an interim dividend of 1p per share will be paid. The payment date will be 30th January 2009 to shareholders on the register at the close of business on 16th January 2009.

Conclusion

I would like to thank my fellow directors and all the staff of the group for their support over the past six months.

Peter Haining
Chairman
23rd December 2008

INTERIM CONSOLIDATED INCOME STATEMENT for the six months ended 30th September 2008

	Unaudited Six months to 30 September 08 £'000	Unaudited Six months to 30 September 07 £'000	Audited Year to 31 March 08 £'000
Revenue	6,211	5,087	10,724
Cost of sales	(4,452)	(3,507)	(7,569)
Gross profit	1,759	1,580	3,155
Distribution costs	(625)	(647)	(1,239)
Administrative expenses	(772)	(722)	(1,392)
	(1,397)	(1,369)	(2,631)
Profit from operations	362	211	524
Finance income	-	-	-
Finance costs	(41)	(51)	(100)
Profit before taxation	321	160	424
Tax expense	(82)	(36)	(91)
PROFIT FOR THE FINANCIAL PERIOD	239	124	333
Earnings per share (see below)			
Basic	3.9p	2.0p	5.4p
Diluted	3.9p	2.0p	5.4p
All amounts relate to continuing operations.			

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30th September 2008 (unaudited)

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total
Balance at 31 March 2007	308	757	5	-	1,357	2,427
Profit for six months to 30 September 2007	-	-	-	-	124	124
	308	757	5	-	1,481	2,551
Dividends	-	-	-	-	(123)	(123)
Share based payment expense	-	-	-	-	4	4
Balance at 30 September 2007	308	757	5	-	1,362	2,432
Profit for six months to 31 March 2008	-	-	-	-	209	209

Translation differences on overseas operations	-	-	-	53	(53)	-
	308	757	5	53	1,518	2,641
Dividends	-	-	-	-	(47)	(47)
Share based payment expense	-	-	-	-	6	6
Balance at 31 March 2008	308	757	5	53	1,477	2,600
Profit for six months to 30 September 2008	-	-	-	-	239	239
Translation differences on overseas operations	-	-	-	-	-	-
	308	757	5	53	1,716	2,839
Share based payment expense	-	-	-	-	6	6
Balance at 30th September 2008	308	757	5	53	1,722	2,845

**CONSOLIDATED BALANCE SHEET
as at 30th September 2008**

	Unaudited as at 30 September 08 £'000	Unaudited as to 30 September 07 £'000	Audited as at 31 March 08 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	271	302	289
Intangible assets	2,038	1,661	2,329
TOTAL NON-CURRENT ASSETS	2,309	1,963	2,329
CURRENT ASSETS			
Inventories	1,579	1,249	1,563
Trade and other receivables	1,819	1,530	2,044
Cash and cash equivalents	92	67	340
TOTAL CURRENT ASSETS	3,490	2,846	3,947
TOTAL ASSETS	5,799	4,809	6,276
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	(523)	(474)	(804)
Trade and other payables	(1,661)	(1,137)	(1,826)
Bank borrowings	(587)	(566)	(939)
Corporation tax liabilities	(101)	(95)	(107)
TOTAL CURRENT LIABILITIES	(2,872)	(2,272)	(3,676)
NON-CURRENT LIABILITIES			
Bank borrowings	-	(69)	-
Corporation tax liabilities	(82)	(36)	-
TOTAL NON-CURRENT LIABILITIES	(82)	(105)	-
TOTAL LIABILITIES	(2,954)	(2,377)	(3,676)
TOTAL NET ASSETS	2,845	2,432	2,600

CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	308	308	308
Share premium reserve	757	757	757
Capital redemption reserve	5	5	5
Foreign exchange reserve	53	-	53
Retained earnings	1,722	1,362	1,477
TOTAL EQUITY	2,845	2,432	2,600

CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30th September 2008

	Unaudited Six months to 30 September 08 £'000	Unaudited Six months to 30 September 07 £'000	Audited Year to 31 March 08 £'000
OPERATING ACTIVITIES			
Net profit from ordinary activities before taxation	321	160	424
Adjustments for:			
Depreciation	62	54	108
Amortisation	2	-	-
Loss on disposal of property, plant and equipment	-	2	1
Share based payment expense	6	4	10
Finance costs	41	51	100
Operating profit before changes in working capital and provisions	432	271	643
(Increase) in inventories	(16)	-	(293)
Decrease in trade and other receivables	225	835	441
(Decrease)/increase in trade and other payables	(165)	(509)	160
Cash generated from operations	476	597	860
Income taxes paid	-	-	(92)
Income taxes repaid	-	-	1
Cash flows from operating activities	470	597	860
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(44)	(19)	(67)
Purchase of computer software	-	-	(38)
Proceeds from sale of property, plant and equipment	-	6	13
Acquisition of subsidiary, net of cash acquired	-	-	(449)
	(44)	(13)	(541)
FINANCING ACTIVITIES			
Repayment of bank borrowings	(153)	(167)	(262)
Invoice discounting finance (net movement)	(199)	(179)	(143)
Interest paid	(41)	(51)	(113)
Dividends paid to equity shareholders	-	(123)	(62)
	(393)	(520)	(311)
INCREASE IN CASH AND CASH EQUIVALENTS	33	64	8

Cash and cash equivalents brought forward	(464)	(472)	(472)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(431)	(408)	(464)
Represented by:			
Cash at bank and in hand	92	67	340
Bank overdrafts	(523)	(475)	(804)
	(431)	(408)	(464)

NOTES TO THE INTERIM REPORT
for the six months ended 30th September 2008

1. Basis of preparation of interim financial information

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union ("IFRS") and expected to be effective at the year end of 31st March 2009, which are mandatory for accounting periods beginning on or after 1st January 2007. The accounting policies are unchanged from the financial statements for the year ended 31st March 2008.

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31st March 2008, prepared in accordance with IFRS, have been filed with the Registrar of Companies. The Auditors' Report on these accounts was unqualified, did not include any matters to which the Auditors drew attention by way of emphasis without qualifying their report and did not contain any statements under section 237 of the Companies Act 1985.

2. The earnings per share

The earnings per share figures are based on the profit on ordinary activities after taxation as stated in the unaudited profit and loss account and the weighted average number of shares in issue during each period. The weighted average number of shares in issue during the period was 6,156,511 for the six months ended 30th September 2008, 6,156,511 for the year ended 31st March 2008 and 6,156,511 for the six months ended 30th September 2007. The calculation of diluted earnings per share was based on 6,156,511 for the six months ended 30th September 2008, 6,156,511 for the year ended 31st March 2008 and 6,156,511 for the six months ended 30th September 2007.

3. Dividends

Dividends paid during the period from 1st April 2007 to 30th September 2008 were as follows:

6th August 2007	Final dividend year ended 31st March 2007	2p per share
30th January 2008	Interim dividend year ended 31st March 2008	0.75p per share

A final dividend of 1.25p per share was approved at the annual general meeting on 30th October 2008 and was paid on 31st October 2008. This dividend has not been accrued at 30th September 2008

The directors are intending to pay an interim dividend for the year ended 31st March 2009 in January 2009 of 1p per share. This dividend has not been accrued at 30th September 2008.

4. Further copies of this document are available both at the registered office of the Company and from the offices of Charles Stanley Securities, 25 Luke Street, London, EC2A 4AR

This information is provided by RNS
The company news service from the London Stock Exchange

END

[Close](#)

checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2009 London Stock Exchange plc. All rights reserved