



## CHAMBERLIN & HILL PLC

### INTERIM RESULTS – SIX MONTHS ENDED 30 SEPTEMBER 2003

#### Chairman's Statement

In the six months to 30 September 2003 we continued to operate below capacity with a turnover of £13.23 million. Profit before tax was £0.59 million (2002: £0.70 million) with net cash in the bank of £0.35 million (2002: net debt of £0.45 million). The board has decided to pay an unchanged interim dividend of 3.85p per share payable on 19 December 2003 to all shareholders registered on 21 November 2003.

We are not alone in experiencing slow markets, and recent developments confirm that there will be further concentration, at least within the foundry sector, from which we expect to benefit.

Steps are being taken to ensure board and management succession. Tom Brown, chairman of Dyson Group plc, who joined the board as a non-executive director in September of this year has agreed to become non-executive chairman early in 2004. Peter Bell, finance director, has indicated his wish to retire, and we have agreed to recruit his successor. Adam Vicary is completing a realignment of the foundry management team to provide greater flexibility in our response to customer needs.

Following the successful introduction of further Exidor emergency exit hardware products and a widening of the range of heavy duty lighting, current thinking suggests that, whilst our foundries will continue to make the best of the opportunities available to them, our strategic direction will move towards growing security and safety markets.

**John Eccles**  
Chairman

6 November 2003

#### Group Profit and Loss Account

	Unaudited 6 months to 30 September 2003 £000	Unaudited 6 months to 30 September 2002 £000	Year ended 31 March 2003 £000
Turnover	<u>13,234</u>	<u>13,806</u>	<u>27,027</u>
Operating profit	587	715	1,373
Exceptional item- restructuring costs	<u>-</u>	<u>-</u>	<u>(451)</u>
Profit before interest & taxation	587	715	922
Interest receivable/(payable)	<u>5</u>	<u>(11)</u>	<u>(14)</u>
Profit before taxation	592	704	908

Taxation	<u>(178)</u>	<u>(211)</u>	<u>(250)</u>
<b>Profit after taxation</b>	<b>414</b>	<b>493</b>	<b>658</b>
Dividend	<u>(283)</u>	<u>(282)</u>	<u>(871)</u>
<b>Retained profit</b>	<b><u>131</u></b>	<b><u>211</u></b>	<b><u>(213)</u></b>
<b>Earnings per share - basic</b>	<b>5.64p</b>	<b>6.72p</b>	<b>9.00p</b>
- adjusted	-	-	13.30p
- fully diluted	<b>5.64p</b>	<b>6.70p</b>	<b>9.00p</b>
<b>Dividend per share</b>	<b>3.85p</b>	<b>3.85p</b>	<b>11.85p</b>

### Summarised Group Balance Sheet

	As at 30 September 2003 £000	As at 30 September 2002 £000	As at 31 March 2003 £000
<b>Fixed assets</b>			
Tangible assets	8,559	9,528	9,045
Intangible assets	209	223	215
<b>Current assets</b>			
Stock	3,351	3,305	3,282
Debtors	6,329	6,783	5,623
Cash at bank	<u>345</u>	<u>-</u>	<u>692</u>
	<b>10,025</b>	<b>10,088</b>	<b>9,597</b>
<b>Creditors – under one year</b>			
Bank overdraft	-	(449)	-
Other	<u>(4,269)</u>	<u>(4,559)</u>	<u>(4,449)</u>
<b>Net current assets</b>	<b>5,756</b>	<b>5,080</b>	<b>5,148</b>
<b>Provisions for liabilities and charges</b>	<u>(747)</u>	<u>(761)</u>	<u>(762)</u>
	<b><u>13,777</u></b>	<b><u>14,070</u></b>	<b><u>13,646</u></b>
<b>Capital and reserves</b>			
Called up share capital	1,835	1,835	1,835
Share premium account	718	718	718
Capital redemption reserve	109	109	109
Revaluation reserve	587	595	591
Profit & loss account	<u>10,528</u>	<u>10,813</u>	<u>10,393</u>
	<b><u>13,777</u></b>	<b><u>14,070</u></b>	<b><u>13,646</u></b>

### Consolidated Cash Flow Statement

	Six months ended 30 September 2003 £000	Six months ended 30 September 2002 £000	Year ended 31 March 2003 £000
<b>Net cash inflow from operating activities</b>			
Operating profit	587	715	1,373
Exceptional item – restructuring costs	-	-	(451)
Non cash items – depreciation	738	770	1,542
- goodwill amortisation	6	6	14
- other	-	-	(81)

Changes in working capital	<u>(749)</u>	<u>(188)</u>	<u>821</u>
	<u>582</u>	<u>1,303</u>	<u>3,218</u>
<b>Returns on investments and servicing of finance</b>			
Interest received	9	5	10
Interest paid	<u>(4)</u>	<u>(16)</u>	<u>(24)</u>
	<u>5</u>	<u>(11)</u>	<u>(14)</u>
<b>Corporation tax paid</b>	<u>(95)</u>	<u>(405)</u>	<u>(679)</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets	(291)	(1,424)	(1,710)
Proceeds from sale of tangible fixed assets	<u>39</u>	<u>18</u>	<u>91</u>
	<u>(252)</u>	<u>(1,406)</u>	<u>(1,619)</u>
<b>Equity dividends paid</b>	<u>(587)</u>	<u>(586)</u>	<u>(870)</u>
<b>Net cash (outflow)/inflow before financing</b>	<b>(347)</b>	<b>(1,105)</b>	<b>36</b>
<b>Financing</b>			
Issue of shares (incl. premium)	-	30	30
<b>(Decrease)/increase in cash</b>	<u><b>(347)</b></u>	<u><b>(1,075)</b></u>	<u><b>66</b></u>

### **Reconciliation of net cash flow to movement in net funds**

(Decrease)/increase in cash in the period	<b>(347)</b>	<b>(1,075)</b>	<b>66</b>
Opening net funds	<u>692</u>	<u>626</u>	<u>626</u>
Closing net funds	<u><b>345</b></u>	<u><b>(449)</b></u>	<u><b>692</b></u>

#### **Notes:**

#### **1. Preparation of interim accounts**

This interim statement has been prepared on the basis of the accounting policies set out in the 2003 Annual Report and Accounts.

The results for the year to 31 March 2003 are an abridged version of the full accounts which have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The figures for the six months ended 30 September 2002 and 30 September 2003 have not been audited.

#### **2. Dividend**

The interim dividend of 3.85p per share will be paid on 19 December 2003 to all shareholders registered at the close of business on 21 November 2003.

#### **3. Earnings per share**

The calculation of basic earnings per share is based on the profit after tax of £414,000 (2002: £493,000) and the weighted average of ordinary shares in issue and ranking for dividend of 7,340,908 shares (2002: 7,331,994).

Diluted earnings per share is based on 7,340,908 shares (2002: 7,362,681) after adjusting for the dilutive effect of the potential exercise of share options where the prices at which they are exercisable are below the weighted average share price during the year.

**4. Reconciliation of movement in shareholders' funds**

	<b>30 September</b>	30 September	31 March
	<b>2003</b>	2002	2003
	<b>£000</b>	£000	£000
Profit after tax	<b>414</b>	493	658
Dividends	<b>(283)</b>	(282)	(871)
Issue of share capital	<b>-</b>	<u>30</u>	<u>30</u>
	<b>131</b>	241	(183)
Opening shareholders' funds	<b><u>13,646</u></b>	<u>13,829</u>	<u>13,829</u>
Closing shareholders' funds	<b><u>13,777</u></b>	<u>14,070</u>	<u>13,646</u>

A copy of the interim results will be sent to shareholders and further copies will be available from the Company's registered office: Chuckery Foundry, Walsall WS1 2DU.