Interim Results

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ACAL plc

(Leading pan-European, value-added technology based distributor providing specialist design-in, sales and marketing services)

Interim Results for the six months to 30 September 2008

	2008	2007
Revenue	**£79.8m**	£77.6m
Operating profit* excluding exceptional items**	**£1.0m**	£2.8m
Profit before tax and exceptional items	**£1.2m**	£2.6m
(Loss)/profit before tax	**£(8.0)m**	£2.6m
Basic earnings per share excluding exceptional items	**2.4p**	6.7p
Basic (loss)/earnings per share	**(30.3)p**	6.7p
Interim dividend per share	**3.5p**	7.2p
Net cash/(debt)	**£16.9m**	£(11.1)m

**Operating profit - profit before interest, tax, the Group's share of profit of associated companies and exceptional items*

*** Exceptional items of £9.2 million relate to impairment of Associate, impairment of goodwill, costs of termination of Group Chief Executive and Group Finance Director contracts and reversal of unutilised provisions set-up on the disposal of the IT Solutions business.*

Highlights

- **Restructured Board with new Chief Executive**
- **Net cash of £16.9 million at 30 September 2008**
- **Post half-year end consideration of £16.2 million from sale of MessageLabs Group Limited - the capital gain on the profit of £15.9 million will be subject to UK corporation tax at the prevailing rate of 28%. £15.1 million received November 2008**

- **Sales resilient, margins under pressure**
- **Rebased interim dividend of 3.5 pence per share**

For further information:-

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Notes to Editors:

Acal is a leading European value-added distributor providing specialist design-in, sales and marketing services for international suppliers in the fields o Electronic Components, IT Parts Services and Medical and Scientific products. Organised into two divisions, Acal has 14 principal trading companies o which 8 are in Continental Europe and 6 in the UK.

Acal is now Europe's strongest multi-disciplined design-in electronics distributor and has always differentiated its offering with a strong focus on demand creation and a highly skilled technical sales force. Vertec Scientific, which operates in both the UK and South Africa, represents leading manufacturers i the field of bone densitometry, medical imaging and diagnostics. The Part Services division provides spare parts to field services organisations and is a supplier to virtually every leading company in that market.

ACAL plc

(Leading pan-European, value-added technology based distributor providing specialist design-in, sales and marketing services)

Unaudited Interim Results for the six months to 30 September 2008

Chairman's Statement

The first half year has been a challenging period and one of significant change for the group. The departure of Tony Laughton (Chief Executive) and Jim Virdee (Finance Director) was announced during July and August and I thank them on behalf of the Board for their contribution over many years.

We have welcomed two new members to the board; Malcolm Cooper (Finance Director) and Steve Sydes (MD of the Electronics business), both of whom have held senior positions within the group for a number of years and who have already started to make a valuable board contribution.

I am also delighted to announce today the appointment of a new Group Chief Executive - Nick Jefferies who joins us in January from Electrocomponents Plc. Nick has held senior management positions within a number of companies in the Distribution sector during his career to date and brings to his new appointment extensive knowledge of the electronics industry.

The period since the half year end saw the sale of MessageLabsGroup in which Acal held a 3.95% investment and which will realise the company £16.2 million subject to warranty claims and tax.

MessageLabs Group Limited

The sale of MessageLabsGroup Limited to Symantec was completed on 14 November 2008. The total consideration receivable by Acal for its 3.95% investment is £16.2 million of which £15.1 million was received on that date. This amount will be subject to tax at the prevailing rate of 28%. An amount of £1.1 million has been retained in escrow and will be returned to Acal if there are no warranty claims within a 12 month period. The balance sheet at 30 September 2008 records the investment in MessageLabsGroup at cost of £0.3 million.

As this event occurred post 30 September 2008, neither the profit on disposal nor the cash received is reflected in these interim results.

In the current environment, it is of great benefit to be in a cash positive situation. The cash received above augments our net cash position at 30 September 2008 of £16.9 million.

Unfortunately, the Company has also suffered an impairment in the value of its associate in Singapore, Westech Electronics Limited.

Westech Electronics Limited

Acal holds a 30.1% shareholding in Westech Electronics Limited, an electronics and engineering solutions provider, listed on the Singapore Stock Exchange. Westech announced in September that one of its major customers in Taiwan had defaulted on its payments to the company. It subsequently announced that it had entered into discussions with certain financial institutions lending to the Company with a view to agreeing a standstill agreement.

At 30 September 2008, Acal's investment in Westech had a carrying value of £5.0 million. The directors have taken the view that the carrying value of Acal's investment has been permanently impaired and the value of the investment has been written down to £nil. An impairment charge of £5.0 million has been recorded as an exceptional item.

Trading performance

From a trading viewpoint, our businesses began to feel the impact of the economic downturn in the latter part of the half year. Moreover, in our Parts Services business, whilst we see the winning of the Torex contract as a significant strategic development, the initial investment in terms of start-up and ongoing operating costs through the early period of the contract has been greater than anticipated.

Business performance

Revenue from continuing operations in the six months to 30 September 2008 increased by 2.8% to £79.8m (2007: £77.6m). At constant exchange rates, however, revenue fell by £3.1m.

Operating profit from continuing operations before exceptional items fell by 64% from £2.8m to £1.0m. At constant exchange rates the decrease in operating profit was £1.7m. Gross margins declined from 29.8% to 27.2%.

Net interest income was £0.2m compared to a net charge of £0.7m in 2007 which reflected the increase in net cash as a consequence of the disposal of the IT Solutions business in December 2007. Actions have been taken to improve our interest rate management whilst at the same time continuing to minimise our exchange rate exposures.

Profit before tax from continuing operations, before exceptional items, was £1.1m (2007: £2.6m) a decrease of £1.5m.

The tax charge on continuing operations before exceptionals and income from associates was 45.3% compared with 41.9% in the year to 31 March 2008. This relatively high rate reflects unrelieved losses in certain Continental European companies.

Earnings per share before exceptional items were 2.4 pence (2007: 6.7p), and including exceptional items were negative (30.3) pence.

Financial position

Net cash at 30 September 2008 was £16.9m compared to £25.6m at 31 March 2008, a fall of £8.7m. Of this decrease, £3.9m related to the payment of the final dividend in respect of 2007/8, tax payable on last year's disposal of the IT Solutions business last year was £1.0m and there were further payments of £1.3m relating to the settlement of prior year provisions. Working capital in the first half of the year increased by £2.9m. Gross capital expenditure was £0.7m (2007: £0.7m) with no new major projects arising in the period.

As noted above, our cash position was augmented by the receipt of £15.1 million in respect of the sale of shares in MessageLabsGroup in November 2008.

Equity attributable to shareholders at 30 September 2008 was £89.3m. This includes goodwill of £49.2m. Goodwill relating to the Parts Services' EAF businesses and the French electronics business - in total amounting to £4.2m has been fully impaired at the half year and disclosed as an exceptional item. In the light of the current economic climate, the company will be reviewing the carrying value of remaining goodwill ahead of the year end.

The movement in the pension liability reflects contributions paid during the period.

Dividend

In the current economic climate, it is the company's objective to use its strong cash position to take advantage of acquisition opportunities that will strengthen the group. Accordingly, the Directors have declared a rebased interim dividend of 3.5 pence per share (2007: 7.2 pence per share). The dividend is payable on 23 January 2009 to shareholders registered on 5 December 2008.

Whilst the dividend is not fully covered by first half earnings, subject to the economic climate, the directors expect dividend cover to increase to an acceptable level over time.

Divisional results

The divisional performance in each of the half years ended 30 September 2008 and 2007 and for the year ended 31 March 2008 is set out below:

	Six months ended 30 September 2008		Six months ended 30 September 2007		Year ended 31 March 2008	
	Revenue £m	**Operating profit £m**	Revenue £m	Operating profit £m	Revenue £m	Operating profit £m
Electronics	**51.3**	**1.4**	50.1	1.7	103.1	3.2
Parts Services	**25.1**	**0.5**	23.9	1.7	48.3	3.3
Medical & Scientific	**3.4**	**0.5**	3.6	0.6	8.1	1.3
Unallocated costs	**-**	**(1.4)**	-	(1.2)	-	(1.7)
	79.8	**1.0**	77.6	2.8	159.5	6.1

Electronics

Whilst revenue increased by £1.2m over the corresponding six months, the reported figure benefited from a strengthening in the Euro against sterling. At constant exchange rates, revenue declined by £3.1m (5.7%) - slightly better than industry statistics which indicated a decline in excess of some 6% for the first nine months of 2008.

Considerable progress has been made in restructuring the Electronics division with inventory, purchasing and logistics being increasingly centralised. This process has now been largely completed and operating costs showed a further reduction on the previous year. Over the past two years, the headcount of the division has been reduced from 430 to 348 today.

Parts Services

As has been reported, the first half year has been a difficult period for the Parts Services division. Costs associated with the major contract, which commenced in May 2008, have been higher than anticipated and we continue to work to mitigate those costs.

Since August, revenue from our parts businesses has dropped significantly as customers have reined-in expenditure or looked for a lowest cost solution and margins have come under increasing pressure.

Medical & Scientific

Vertec Scientific specialises in the supply of high quality radiology and bone densitometry equipment. The larger part of its revenue is derived in the UK but it has increasing revenue from a recently formed business in South Africa. Performance was consistent with the previous year and represented a notable contribution to the group result.

Current trading and outlook

Given the recent market conditions and the volatility in exchange and interest rates it is very difficult to accurately project the performance of the business in the short term.

Sales and orders within our Electronics division since the year end indicate a good performance relative to the market. However, the division purchases 80% of its products in US dollars whilst 60% of its sales are in Euros or Sterling. The abrupt strengthening of the dollar has, and will, put a significant strain on margins in the short-term.

The Parts Services market has remained difficult since the half year end and the Board, conscious of the need to enhance this division's performance, is actively progressing initiatives in this respect.

Our businesses have prepared themselves for more difficult trading conditions in months to come. Furthermore, I believe that the group's strong cash position will enable us to take advantage of acquisition opportunities that may present themselves in the current economic climate.

R Moon
Chairman

26 November 2008

condensed consolidated income statement (unaudited)
for the six months ended 30 September 2008

	notes	**six months ended 30 Sept 2008 £m**	six months ended 30 Sept 2007 £m	year ended 31 Mar 2008 £m
Continuing operations				
Revenue	3	**79.8**	77.6	159.5
Cost of sales		**(58.1)**	(54.5)	(113.7)
Gross profit		**21.7**	23.1	45.8
Selling and distribution costs		**(11.9)**	(11.7)	(24.4)
Administrative expenses		**(8.9)**	(8.6)	(15.4)
Other operating income		**0.9**	-	0.1
Other operating expenses		**(5.0)**	-	(3.5)
Operating profit		**(3.2)**	2.8	2.6
Analysed between:				
Operating profit before exceptional items	3	**1.0**	2.8	6.1
Exceptional items	4	**(4.2)**	-	(3.5)
Share of post-tax profits from associates		**-**	0.5	0.7
Impairment of associate investment		**(5.0)**	-	-
Finance costs		**(0.6)**	(0.9)	(1.5)
Finance revenue		**0.8**	0.2	0.8
(Loss)/profit before tax		**(8.0)**	2.6	2.6
Analysed between:				
Profit before exceptional items		**1.2**	2.6	6.1
Exceptional items	4	**(9.2)**	-	(3.5)
Taxation		**-**	(0.8)	(2.1)
Analysed between:				
Taxation before exceptional items		**(0.5)**	(0.8)	(2.3)
Exceptional items		**0.5**	-	0.2

(Loss)/profit after taxation for the period from continuing operations		**(8.0)**	1.8	0.5
Discontinued operations				
Profit for the period from discontinued operations		**-**	1.1	25.2
(Loss)/profit for the period attributable to equity holders of the parent		**(8.0)**	2.9	25.7
Earnings per share	8			
Continuing operations				
Basic - before exceptional items		**2.4p**	6.7p	14.5p
Basic - after exceptional items		**(30.3)p**	6.7p	2.0p
Diluted - before exceptional items		**2.4p**	6.7p	14.5p
Diluted - after exceptional items		**(30.3)p**	6.7p	2.0p
Including discontinued operations				
Basic		**(30.3)p**	10.9p	97.5p
Diluted		**(30.3)p**	10.9p	97.5p
Dividends				
Dividends per share declared in respect of period		**3.5p**	7.2p	21.9p
Dividends per share paid in period		**14.7p**	14.7p	21.9p
Dividends paid in period		**£3.9m**	£ 3.9m	£5.8m

condensed consolidated statement of recognised income and expense (unaudited)
for the six months ended 30 September 2008

	six months ended 30 Sept 2008 £m	six months ended 30 Sept 2007 £m	Year ended 31 Mar 2008 £m
Actuarial gain on defined benefit pension scheme	**-**	-	2.0
Deferred tax relating to pension scheme	**-**	-	(0.7)
Foreign currency translation differences	**0.4**	0.3	1.5
Income and expense recognised directly in equity	**0.4**	0.3	2.8
Profit for the period	**(8.0)**	2.9	25.7
Total recognised income and expense for the period attributable to equity holders of the parent	**(7.6)**	3.2	28.5

condensed consolidated balance sheet (unaudited)
at 30 September 2008

	notes	**at 30 Sept 2008 £m**	at 30 Sept 2007 £m	at 31 March 2008 £m
Non-current assets				
Property, plant and equipment	10	**4.4**	4.4	4.4
Goodwill		**49.2**	53.2	53.4
Intangible assets - software		**0.9**	3.5	1.1
Investments in associates		**0.6**	5.2	5.7
Other financial assets		**0.3**	0.3	0.3
Deferred tax assets		**3.1**	4.3	3.4
		58.5	70.9	68.3
Current assets				
Inventories		**23.0**	18.8	19.3
Trade and other receivables		**36.5**	28.2	36.0
Current tax assets		**0.3**	0.6	0.6
Cash and cash equivalents		**24.1**	7.4	35.6
		83.9	55.0	91.5
Current liabilities				
Trade and other payables		**(35.0)**	(23.2)	(34.2)
Short-term borrowings		**(7.2)**	(8.4)	(9.9)
Current tax liabilities		**(3.6)**	(2.2)	(5.2)
Provisions		**(2.2)**	(1.9)	(3.2)

		(48.0)	(35.7)	(52.5)
Net current assets		**35.9**	19.3	39.0
Assets of discontinued operations classified as held for sale		**-**	28.4	-
Non-current liabilities				
Long-term borrowings	11	**-**	(10.1)	(0.1)
Pension liability		**(3.3)**	(6.8)	(3.8)
Deferred tax liabilities		**(0.6)**	(1.5)	(1.2)
Provisions		**(1.2)**	(1.8)	(1.5)
		(5.1)	(20.2)	(6.6)
Liabilities of discontinued operations classified as held for sale		**-**	(23.2)	-
Net assets		**89.3**	75.2	100.7
Equity				
Share capital	12	**1.3**	1.3	1.3
Share premium account	12	**38.0**	38.0	38.0
Other reserves	12	**5.3**	1.5	4.9
Retained earnings	12	**44.7**	34.4	56.5
Total equity	12	**89.3**	75.2	100.7

condensed consolidated cash flow statement (unaudited)
for the six months ended 30 September 2008

	six months ended 30 Sept 2008 £m	six months ended 30 Sept 2007 £m	year ended 31 Mar 2008 £m
(Loss)/profit for the period	**(8.0)**	2.9	25.7
Taxation expense	**-**	1.4	7.7
Share of results from associates	**-**	(0.5)	(0.7)
Impairment of goodwill	**4.2**	-	-
Impairment of associate investment	**5.0**	-	-
Net finance costs	**(0.2)**	0.9	1.0
Depreciation of property, plant and equipment	**0.6**	0.8	1.6
Amortisation of intangible assets - software	**0.3**	0.5	3.0
Change in provisions	**(1.3)**	(0.3)	0.3
Gain on disposal of business	**-**	-	(29.1)
Gain on disposal of property, plant and equipment	**-**	-	0.1
Pension scheme funding	**(0.6)**	(0.6)	(1.6)
Equity-settled share-based payment expense	**-**	0.1	0.1
Operating cash flows before changes in working capital	**-**	5.2	8.1
(Increase)/decrease in inventories	**(2.8)**	0.3	0.8
(Increase)/decrease in trade and other receivables	**(0.2)**	9.4	3.7
Increase/(decrease) in trade and other payables	**0.1**	(14.0)	(5.9)
Increase in working capital	**(2.9)**	(4.3)	(1.4)
Cash generated from operations	**(2.9)**	0.9	6.7
Interest paid	**(0.6)**	(1.0)	(2.1)
Income taxes paid	**(1.6)**	(1.7)	(5.7)
Net cash flow from operating activities	**(5.1)**	(1.8)	(1.1)
Cash flows from investing activities			
Proceeds from sale of subsidiaries	**-**	-	38.5
Purchases of property, plant and equipment	**(0.7)**	(0.7)	(1.2)
Proceeds from sale of property, plant, equipment and intangibles	**0.1**	0.5	0.5
Purchases of intangible assets - software	**(0.1)**	(0.1)	(0.2)
Interest received	**0.8**	0.2	0.9
Dividends received from associates	**0.2**	0.2	0.2
Net cash flow from investing activities	**0.3**	0.1	38.7
Cash flows from financing activities			
Repayments of borrowings	**-**	-	(10.1)
Dividends paid to company's shareholders	**(3.9)**	(3.9)	(5.8)
Net cash flow from financing activities	**(3.9)**	(3.9)	(15.9)
Net (decrease)/increase in cash and cash equivalents	**(8.7)**	(5.6)	21.7
Cash and cash equivalents at beginning of period	**25.8**	4.8	4.8
Effect of exchange rate fluctuations	**(0.1)**	-	(0.7)

Cash and cash equivalents at end of period	**17.0**	(0.8)	25.8
Reconciliation to cash and cash equivalents in the balance sheet			
Cash and cash equivalents shown above	**24.1**	(0.8)	25.8
Add back overdrafts	**(7.1)**	8.2	9.8
Cash and cash equivalents shown within current assets in the balance sheet	**17.0**	7.4	35.6

notes to the interim results
for the six months ended 30 September 2008

1. Corporate information

Acal plc is a company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange. The condensed interim financial statements consolidate the financial statements of Acal plc, entities controlled by the Company (its subsidiaries) and include the Group's share of the results of associates.

2. Basis of preparation and accounting policies

The condensed consolidated interim financial statements for the six months to 30 September 2008 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS34 'Interim Financial Reporting' as adopted by the European Union. They do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year to 31 March 2008, which were prepared in accordance with IFRS as adopted by the European Union. The condensed consolidated interim financial statements are unaudited and were approved by the Board of Directors for issue on 26 November 2008.

The results for the year to 31 March 2008 are based on full audited financial statements prepared in accordance with IFRS as adopted by the European Union. These financial statements were filed with the Registrar of Companies and contain a report of the auditors, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. The consolidated financial statements of the Group for the year ended 31 March 2008 are available on request from the Company's registered office or on its website.

Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

3. Segmental reporting

Segmental information is presented in respect of the Group's business segments, which are the primary basis of segmental reporting. This format reflects the Group's management and internal reporting structures. Inter-segment revenue is insignificant.

Six months to 30 September 2008

	Electronics £m	Parts Services £m	Medical & Scientific £m	Unallocated £m	Total £m
Revenue	51.3	25.1	3.4	-	79.8
Segment result	1.4	0.5	0.5	(1.4)	1.0
Exceptional items				(9.2)	(9.2)
Net finance revenue				0.2	0.2
Share of post-tax profits from associates	-	-	-	-	-
Loss before taxation					(8.0)
Taxation					-
Loss for the period					(8.0)

Six months to 30 September 2007

	Electronics £m	Parts Services £m	Medical & Scientific £m	Unallocated £m	Total £m
Revenue	50.1	23.9	3.6	-	77.6
Segment result	1.7	1.7	0.6	(1.2)	2.8

Net finance costs		(0.7)	(0.7)
Share of post-tax profits from associates	0.5		0.5
Profit before taxation			2.6
Taxation			(0.8)
Profit for the period from continuing operations			1.8
Profit for the period from discontinued operations			1.1
Profit for the period			2.9

Year to 31 March 2008

	Electronics £m	Parts Services £m	Medical & Scientific £m	Unallocated £m	Total £m
Revenue	103.1	48.3	8.1	-	159.5
Segment result	3.2	3.3	1.3	(1.7)	6.1
Exceptional item - provision for retained obligations				(3.5)	(3.5)
Net finance costs				(0.7)	(0.7)
Share of post-tax profits from associates	0.7				0.7
Profit before taxation					2.6
Taxation					(2.1)
Profit for the period from continuing operations					0.5
Profit for the period from discontinued operations					25.2
Profit for the year					25.7

The results for the six months to 30 September 2007 and for the year to 31 March 2008 have been restated to reflect Vertec, a distributor of medical & scientific equipment, as a separate segment and to show unallocated costs separately.

4. Exceptional items

	six months ended 30 Sept 2008 £m	six months ended 30 Sept 2007 £m	Year ended 31 Mar 2008 £m
Other Operating Income			
Write back of unutilised provision for retained obligations	**0.8**	-	-
Other Operating expense			
Provision for retained obligations	**-**	-	(3.5)
Impairment of goodwill	**(4.2)**	-	-
Costs of termination of Board Director contracts	**(0.8)**	-	-
	(5.0)	-	-
Non Operating Costs			
Impairment of associate investment	**(5.0)**	-	-

Impairment of associate investment

Acal holds a 30.1% shareholding in Westech Electronics Limited, an electronics and engineering solutions provider, listed on the Singapore Stock Exchange. Westech announced in September that one of its major customers in Taiwan had defaulted on its payments to the company. It subsequently announced that it had entered into discussions with certain financial institutions lending to the Company with a view to agreeing a standstill agreement.

At 30 September 2008, Acal's investment in Westech had a carrying value of £5.0 million. The directors have taken the view that the carrying value of Acal's investment has been permanently impaired and have written down the value of the investment to £nil. An impairment charge of £5.0 million has been recorded as an exceptional item.

5. Post balance sheet events

MessageLabsGroup

On 14 November 2008 the sale of MessageLabsGroup Limited to Symantec was completed. The total consideration receivable by Acal for its 3.95% investment is £16.2 million of which £15.1 million was received on 14 November 2008. An amount of £1.1 million has been retained in escrow and will be returned to Acal if there are no warranty claims within a 12 month period. The balance sheet at 30 September 2008 records the investment in MessageLabsGroup at cost of £0.3 million.

6. Taxation

The effective tax rate on profit before tax of continuing operations, excluding the share of post-tax profits from associates and exceptional items, for the six months to 30 September 2008 is 45.3 % (2007: 38.9 %, year to 31 March 2008: 41.9%).

The effective rates for the period have been calculated by applying the Group's best estimates of the effective tax rate for the current year.

7. Dividends

The directors have declared an interim dividend of 3.5 pence per share (2007: 7.2 pence) payable on 23 January 2009 to shareholders on the register at 5 December 2008. In accordance with IAS 10, this dividend has not been reflected in the interim results. The amount of this interim dividend is £0.9 million (2007: £1.9 million).

8. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	six months ended 30 Sept 2008 £m	six months ended 30 Sept 2007 £m	Year ended 31 Mar 2008 £m
Profit for the year from continuing operations attributable to equity holders of the parent - before exceptionals	**0.7**	1.8	3.8
Exceptional items net of tax	**(8.7)**	-	-
(Loss)/profit for the year from continuing operations attributable to equity holders of the parent	**(8.0)**	1.8	3.8
Loss for the year from exceptional items attributable to equity holders of the parent	**-**	-	(3.3)
(Loss)/profit for the year from continuing operations	**(8.0)**	1.8	0.5
Profit for the year from discontinued operations attributable to equity holders of the parent	**-**	1.1	25.2
(Loss)/profit for the year attributable to equity holders of the parent	**(8.0)**	2.9	25.7
Weighted average number of shares for basic earnings per share	**26.4**	26.4	26.4
Effect of dilution - share options	**-**	-	-
Adjusted weighted average number of shares for diluted earnings per share	**26.4**	26.4	26.4

At the period end there were 0.9 million ordinary share options in issue that could potentially dilute earnings per share in the future but are not included in the calculation at the year end because they are currently non-dilutive (2007: 1.1 million, 31 March 2008: 1.1 million).

9. Movements in net cash and debt

	six months ended 30 Sept 2008 £m	six months ended 30 Sept 2007 £m	year ended 31 Mar 2008 £m
Net (decrease)/increase in cash and cash equivalents	**(8.7)**	(5.6)	21.7
Cash outflow from repayment of borrowings	**0.1**	-	10.1
Effect of exchange rate fluctuations	**(0.1)**	(0.1)	(0.8)
(Decrease)/increase in net cash	**(8.7)**	(5.7)	31.0
Net cash/(debt) at beginning of the period	**25.6**	(5.4)	(5.4)
Net cash/(debt) at end of the period	**16.9**	(11.1)	25.6

10. Goodwill

Goodwill relating to the Parts Services' EAF businesses and the French electronics business - in total amounting to £4.2m has been fully impaired at the half year and disclosed as an exceptional item. In the light of the current economic climate, the company will be reviewing the carrying value of remaining goodwill ahead of the year end.

11. Pensions

The pension liability relates to the Sedgemoor Group Pension Fund which was brought into the group on the acquisition of the Sedgemoor Group in 1999. The fund, which is a defined benefit scheme, is operated as a 'paid up' pension scheme with only pensioners and deferred members.

Following the actuarial valuation as at 31 March 2006, which showed a funding shortfall of £6,172,000, the Fund's Trustee, having reviewed its rights under the Scheme, agreed with Sedgemoor Limited ('the Company') a recovery plan based on extra contributions from the Company aimed at eliminating the shortfall by November 2012.

The IAS 19 liability at 30 September 2008 was £3.3 million. The next actuarial valuation will take place at 31 March 2009.

12. Equity attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings	Translation reserve	Merger reserve	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2008	1.3	38.0	56.5	1.9	3.0	100.7
Total recognised income and expense	-	-	(8.0)	0.4	-	(7.6)
Share-based payments	-	-	0.1	-	-	0.1
Dividends paid	-	-	(3.9)	-	-	(3.9)
At 30 September 2008	**1.3**	**38.0**	**44.7**	**2.3**	**3.0**	**89.3**
At 1 April 2007	1.3	38.0	35.3	0.4	0.8	75.8
Total recognised income and expense	-	-	2.9	0.3	-	3.2
Share-based payments	-	-	0.1	-	-	0.1
Dividends paid	-	-	(3.9)	-	-	(3.9)
At 30 September 2007	1.3	38.0	34.4	0.7	0.8	75.2
At 1 April 2007	1.3	38.0	35.3	0.4	0.8	75.8
Total recognised income and expense	-	-	27.0	1.5	-	28.5
Share-based payments	-	-	0.1	-	-	0.1
Dividends paid	-	-	(5.8)	-	-	(5.8)
Goodwill written back on disposal	-	-	-	-	2.2	2.2
Dilution in associates	-	-	(0.1)	-	-	(0.1)
At 31 March 2008	1.3	38.0	56.5	1.9	3.0	100.7

STATEMENT OF DIRECTORS' RESPONSIBILITIES

This interim report complies with the Disclosure and Transparency Rules (DTR) of the United Kingdom's Financial Services Authority in respect of the requirements to produce a half yearly financial report. This interim report is the responsibility of, and has been approved by, the Directors of Acal plc.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union;
- the interim report includes a fair review of the information required by DTR 4.2.7 (indication of important events during the first six months of the financial year and a description of the principal risks and uncertainties for the second six months of the financial year); and
- the interim report includes a fair review of the information required by DTR 4.2.8 (disclosure of any material related party transactions and changes therein).

On behalf of the Board

R Moon
Chairman

26 November 2008

FORWARD LOOKING STATEMENTS

This report may contain certain statements about the future outlook for Acal plc. Although we believe our expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

This information is provided by RNS
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