2016

Annual report and accounts

// We are a global supplier of quality components to the lift, transport and keypad industries //

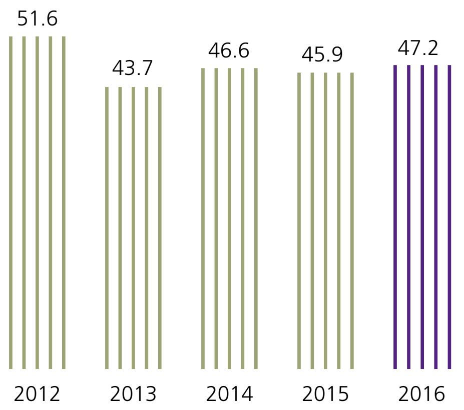
dewhurst

Contents

01

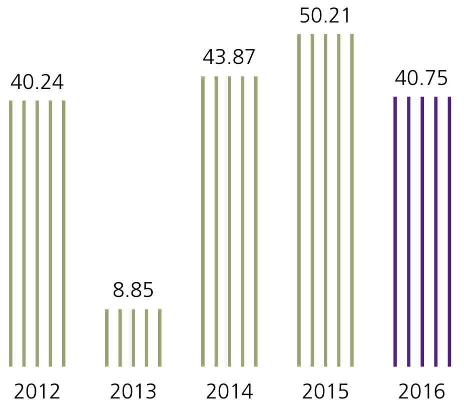
Financial highlights

Revenue
£ million



Operating profit *
£ million

Earnings per share ^
Pence



Dividend per share
Pence

// We recovered well from a poor first quarter, ending the year with our second highest ever sales figures //

	2016 £(000)	2015 £(000)
Group revenue	**£47,159**	£45,946
Operating profit*	**£5,502**	£5,588
Earnings per share^	**40.75p**	50.21p
Dividend per share	**11.00p**	13.00p

† Includes special dividend of 3p (2012: 5p) per share

* Operating profit before goodwill write down, amortisation of acquired intangibles and gain on property disposal

^ Restated. For more information see tax reporting changes detailed in the Financial Review

Chairman's statement

Richard Dewhurst
Chairman

Results

I am pleased to present the Group's full year results to 30 September 2016. Group sales for the year increased 2.6% to £47.2 million (2015: £45.9 million), primarily driven by currency movements during the period. Operating profit before amortisation of acquired intangibles and gains on property disposal was £5.5 million (2015: £5.6 million); profit before tax was £5.1 million (2015: £5.3 million) down 4.4%. Whilst it is disappointing to report profits slightly down on last year's record level, this was a good recovery after a very weak first quarter, even though the second half was assisted by the favourable currency movements.

Lift businesses in the UK and Australia in aggregate were both broadly flat, but there was good growth in North America. Transportation business grew during the year, but Keypad sales were down, although they recovered somewhat from the first half. There were significant currency swings during the year with the pound stronger in the first half and weaker in the second. However the overall average for the year turned out to be fairly close to last year for almost all our operating currencies. In total the currency movements resulted in a gain in reported sales of £1.2 million and a positive effect on profits of £0.4 million compared to last year.

It has been a volatile year with peaks and troughs in demand which have been difficult to manage at times. We thank our employees for all their efforts to support our customers this year.

With the recovery in the second half, we are planning to continue our progressive improvement in the dividend in line with our stated target, with another 1 pence increase in the basic dividend proposed for the year.

Operations and people

Tom Oliver has joined us this year as General Manager at Elevator Research Manufacturing (ERM). Tom has made progress improving the team at ERM and we look forward to that progress continuing in the current year.

We have continued with our focus on quality this year: improving the range of metrics we use across the Group's operations to ensure there is a clear link between the measures and the business' strategic objectives and at the same time aiming to improve consistency across the Group.

Global reach

North America

Canada
Dupar Controls

USA
The Fixture Company
Elevator Research Manufacturing Corp.

Product areas
Lift

UK, Europe and Middle East

United Kingdom
Dewhurst
Thames Valley Control
Traffic Management Products

Hungary
Dewhurst (Hungary)

Product areas
Lift
Transport
Keypad

Australia and Asia

Hong Kong
Dewhurst (Hong Kong)

Australia
Australian Lift Components
Lift Material Australia
Dual Engraving

Product areas
Lift
Transport

The other key initiative this year was to try to spread best practice in our human resources management. We have held the Investors in People (IiP) accreditation at our main manufacturing base in Feltham for more than ten years. This year we have achieved that status at all our UK companies and several of those overseas.

After reasonable success this year selling into the Middle East market from the UK, we have taken the step of opening an office in Dubai to better serve our customers in the region. This is intended to be operational from the beginning of 2017.

Products

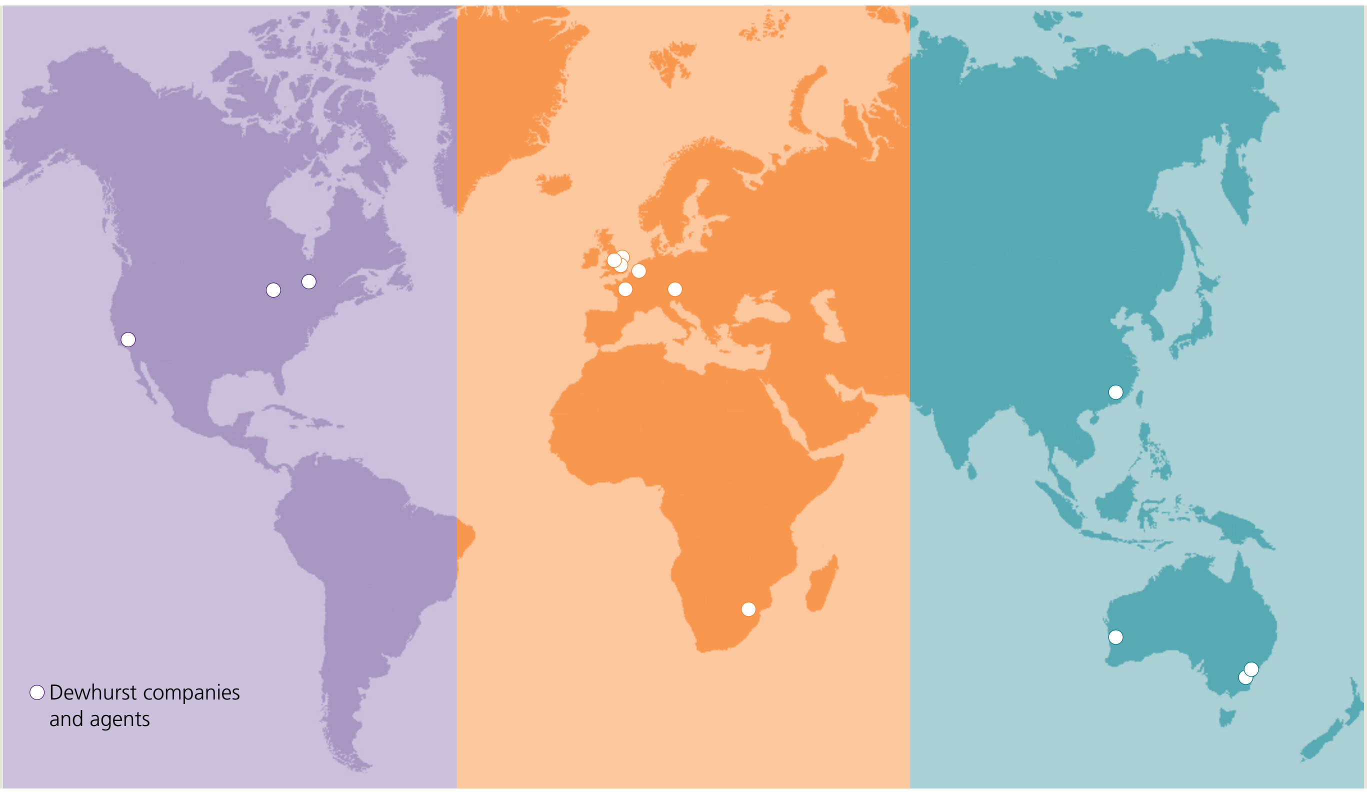
Following the launch of our Ethos Two control system last year, we have continued this year to develop and expand the range of its capabilities. Our passively safe chevron product has been on trial this year in some of the UK's harshest environments and passed all tests successfully. This should lead to increasing specification for the product. In addition, we have a good pipeline of new highways products that we expect to launch by the end of December.

Outlook

The weaker pound is going to benefit our reported figures and our UK competitiveness as long as it continues. Offsetting that, UK short term demand has been variable and there are indications of customer nervousness and indecision that are likely to affect medium term demand. Elsewhere, North American demand experienced a lull at the start of the year, but the outlook remains positive and Australian demand is also encouraging.

On balance, the new financial year has started reasonably positively, so we are optimistic that we should have a better first quarter than last year. In these uncertain times it is quite difficult to predict likely outcomes beyond that.

// Six companies in the Group have achieved Investors in People accreditation //



Strategic report

David Dewhurst
Group Managing Director

Business review

The Group's principal activity in the year continued to be the manufacture of electrical components and control equipment for industrial and commercial capital goods. The Group maintained its position as a specialist supplier of equipment to lift, transport and keypad sectors. A business review of the Group's operations is dealt with below in operating highlights and in the Chairman's Statement on page 2.

Key performance indicators

The directors believe that the key financial performance indicators relevant to the Group are earnings per share, adjusted operating profit, profit before tax and return on equity which are stated in the five year review on page 11. The key non-financial performance indicators relevant to the Group are quality measures and on-time deliveries to our customers.

Operating highlights

The first quarter of the year proved to be challenging, which resulted in a temporary reduction in sales volumes across the majority of the companies in the Group. The feedback received from many of our customers indicated this was a short term issue and that the longer term demand remained strong.

It transpired that this was essentially correct and as we moved into 2016, we saw a recovery in demand, particularly in our overseas markets, which resulted in a much stronger second half.

This year has seen the first full year that our Group Quality Programme has been in place. We are requiring more transparency from our Group companies in matters of quality and customer service. The areas that we are currently monitoring with Key Performance Indicators are:

- On-time Delivery – The percentage of orders that we ship to our customers on or before the date we promised. Our target for this is 95%. Currently five of our ten Group companies are achieving 95% or above, on-time delivery.
- Defective Parts per Million (PPM) – PPM is the global standard for quality measurement and we are now recording this at all Group companies.
- Standard Operating Procedures (SOP) – We have undertaken to have SOPs for all operational processes in our Group companies by the end of 2017.

Bluewaters, Dubai
US96 pushbuttons have been ordered for the buildings on this man-made mixed use development located off the coast of Jumeirah Beach.

//Opening up new markets for our product range//

- Supplier Scorecards – We work closely with our many suppliers. Each company has a handful of really key suppliers. We now monitor the performance of those suppliers on a quarterly basis and feedback their performance to them.
- Investment in People – We want to ensure at each Group company that our people are being motivated, trained and developed. To this end we have tasked all Group companies to either achieve IiP status or the equivalent in their country. To date six Group companies have achieved IiP.

I would like to join the Chairman in thanking all our employees in our Group companies. This has been an unusual year and they have all worked hard to deliver our strategic goals, which have helped ensure that we achieved this year's results.

//Specified for major transport infrastructure projects in London//

United Kingdom

Dewhurst UK Manufacturing

After a slow year last year, sales at Dewhurst UK Manufacturing grew by 12%. This growth was spread evenly between our home market and our export markets.

We have continued to focus heavily on expanding our overseas markets; to have grown overseas sales by 12% this year, following last year's significant growth, is very encouraging. We have taken the decision to open an office in the Middle East to support our activities in that region and we are looking to have that office operational from the start of 2017.

There is currently an increase in the number of infrastructure projects in the UK. There has been growing investment in the transport network in London and we have been working closely with Transport for London and Crossrail on their ongoing projects.

Our UniBlade family of products has grown during the year and we continue to see an increasing number of projects using these products. Significant installations include the offices of Clifford Chance in Canary Wharf, Scotia Plaza in

Employees by region

North America
93

UK, Europe & Middle East
210

Australia and Asia
61

Cayan Tower, Dubai
We have a range of standard blade lanterns, but customers of landmark buildings often want something a little different, such as this design for the Cayan Tower.

Group sales by region

- **North America** 28%
- **UK, Europe & Middle East** 47%
- **Australia and Asia** 25%

Toronto and the new Bloomberg offices in Kings Cross.

Activity in the Rail Industry has also increased and we have won an important order for our US97 Rail pushbutton, which has been fitted into the refurbished Virgin East Coast Mainline trains. We have also added to our range of Trackside Signal Boxes and we expect to see growing demand for these products through 2017.

Our Engineering Team has had a busy year, predominantly adding to our range of existing products. We have developed a new version of our US95 pushbutton to meet the specific requirements of the Singapore market. A new pushbutton has also been developed for California, where there was a need for a vandal resistant 'metal on metal' button that meets the Californian Elevator Code. On top of this we have introduced new variants of UniBlade IDs and Blade Lanterns.

The team has also focused closely on ensuring that the installation of our fixtures is quick and simple. To achieve this we have partnered with one of our major customers to pre-wire our fixture according to their specific requirements and this has proven a big benefit to both parties.

Investment in our plant has continued and we purchased a new Amada folding machine during the year. We expect to add further new moulding machines during 2017.

Thames Valley Controls (TVC)

The market continued to be challenging for TVC through 2016 and they continue to see a decline in sales, although the rate of decline was reduced. Order Input at the company was reasonably strong; however in both their Monitoring and Controller markets they suffered from customers delaying projects.

2016 saw our new Controller product, Ethos Two come on line with a good number of customers changing over to this new state of the art Controller product. The heart of the product is a simple, intuitive colour touch screen that provides clear indication of the lift's current status and functions. Ethos Two also analyses the ride performance of the lift in real-time which helps the engineer identify any issue before the passenger does. The product is designed to comply with the requirements of the latest Europe codes for lifts, EN81-20.

Ethos Two
The large full-colour touchscreen provides simple intuitive diagnostics, commissioning and configuration to make control quicker and easier.

//Introducing touchscreen technology to improve ease of use//

// Our CCTV and autodiallers provide more reassurance for lift passengers //

Demand for our newer Monitoring products has been encouraging. Sales of our CCTV products have grown substantially as have sales of Autodialler products. Both of these products provide added security and reassurance to passengers in lifts.

Traffic Management Products (TMP)

During the year we experienced significant sales growth at TMP, with an improvement of over 20% compared to last year.

Over the last eighteen months the team at TMP have carried out an extensive reorganisation programme and in 2016 we started to see the benefits of that activity.

On the sales front we added a new Territory Manager to the team to cover Scotland and this has proven to be a really positive move. TMP have been very active on the Research and Development side over the last 12 months, focussing on a new range of street furniture. We are launching a series of architectural street bollards for use on pavements as well as a range of wooden bollards for use on paths and in parkland settings.

Europe

Dewhurst Hungary

Sales at Dewhurst Hungary were down by around 7% on the previous year. There was a reduction in demand for both our keypad products and also the ATM facia units. The reduction in sales was primarily in the first quarter of the year and since that time demand has remained reasonably consistent.

We have continued our investment at Dewhurst Hungary with the purchase of a new Trumpf laser marking machine. This will help improve the appearance and durability of our laser marked keys.

The quality of the products we produce at Dewhurst Hungary is critical and the team there have continued to make improvements in our quality as measured in Defective Parts per Million. We have once again managed to fall well inside the PPM figure that our key customer has set us.

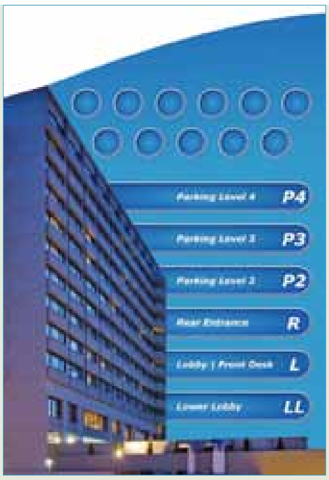
North America

Dupar Controls

The economy in North America continues to be buoyant; following on from a 15% increase in sales the previous year, Dupar continued to grow, increasing sales by just under 10% this year. It was another very strong performance from the team at Dupar.

A major investment in new computer software to help in our front end processes is just beginning to come on stream now. Early indications are that it will be a great benefit. Not only does it allow us to process drawings more quickly but it systematises the way that we produce our drawings. This in turn will reduce potential mis-communication and therefore improve our quality to our customers.

After a slow start, interest in our new US1 Touch car operating panel (COP) has taken off in the second half of the year. Our first installations have gone in smoothly and forward orders for the product are now quite healthy. This has given us the confidence to add two new sizes of Touch COP to the product range.



Touchscreens

Our Touch COP allows customers to create their own style of pushbutton and to select a background that complements the building design.

The increased sales have been quite challenging for our production team, but the purchase of the fibre laser cutter has proven very beneficial. The additional capacity that it has provided through its faster cutting speeds has been important to enable us to cope with the uplift. We have reorganised the layout of the plant, which has both created a streamlined path through the plant for the product as well as freeing up space to allow for additional assembly benches.

Elevator Research & Manufacturing (ERM)

Early in the year we were successful in our search for a new General Manager for ERM and we welcome Tom Oliver to the company.

Sales grew by 10% over the year to a new record level for the company. Sales of lift fixtures were slow but sales of our cab and door products were extremely buoyant.

There are still significant challenges to overcome at ERM in order to provide consistent levels of customer service, but we are confident that we have the beginnings of a team who can achieve those goals.

Australia & Asia

Australian Lift Components (ALC)

After some excellent growth last year, sales at ALC fell marginally, primarily due to the increased competition that we are seeing in the market.

The team at ALC continued their excellent work on their Continuous Improvement Project, which has allowed them to reduce lead times and by the year end, has driven their on-time delivery figure above the 95% target.

Lift Material

The steady growth in sales continued at Lift Material with another record year. The increase in sales was just under 5%, with the Escalator Product Group showing the greatest growth.

We still see that there is enormous potential for growth in the supply of escalator parts. In order to capitalise on this and focus our resources to greater effect we have decided to create two specialist divisions in Lift Material. One will focus on Lift Components and the other on Escalator Components and supply and installation of handrails.

Dual Engraving

Sales fell back from last year's peak by around 10%, but this was to be expected. The economy in Perth has slowed following the reduction in new mining infrastructure projects in Western Australia. We were aware at the time of our acquisition of Dual Engraving that the fortunes of the company would mirror the local economy. Despite this, Dual recorded profits broadly in line with budget expectations.

Early in the year Dual moved to new premises in Perth. The previous premises were relatively old, the factory space was spread across two buildings and the offices were very basic. We have now moved to larger, more modern premises, which have allowed us to lay out the factory floor in a logical way, with a much improved flow for production.

Dewhurst Hong Kong

Building on last year's excellent performance Dewhurst Hong Kong grew sales by 6% to a new record level and also achieved record profits.

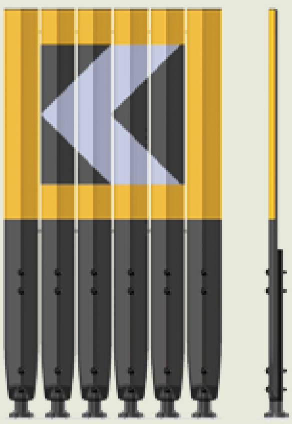
The growth was supported by work we did in our other Asian markets to increase sales outside Hong Kong.

//Good opportunities from broadening the transport product range//

Metro interchange stations, Dubai
US90 Jumbo pushbuttons are installed in the lifts on the Dubai metro, for ease of use by wheelchair users.

Principal risks and uncertainties

Risk	Impact	Mitigation
Operational		
Business Control. The geographically diverse nature of our business means that many subsidiary companies are remote from our senior management.	Reduction in control and increased risk on individual subsidiary's performance.	We aim to strike a balance between autonomy and responsibility of the local management. Senior management generally visit all subsidiaries regularly to maintain senior contact directly with the business. We operate the same IT system across the business so that information flow is controlled and managed centrally.
Loss of a key customer. Because the Group tends to operate in niche markets there are limited numbers of major customers in some of these markets.	Reduced sales and reduced profits.	We aim to provide key customers with excellent products and service at a competitive price. We closely monitor our performance with these customers to ensure we are meeting the objectives.
Problems at a key supplier.	Inability to maintain required service levels.	Where necessary we dual source and/or hold strategic stocks of particularly time critical key components.
Technological change reducing demand for the Group's products. Our products are primarily human machine interfaces. These are subject to significant technological change at present. New ways of interacting with machines are constantly being developed.	Reduced sales and reduced profits.	We monitor our markets for innovations and endeavour to ensure we retain a competitive offering for our customers, supported by an active product development programme.
Financial		
The Group operates a defined benefit pension scheme in the UK. This is subject to risks in relation to liabilities caused by changes in life expectancy and inflation. It is also subject to risks regarding the value of and return on investments.	Potential impact on the balance sheet and on cash flow.	The UK defined benefit schemes were closed to future accrual on 30 September 2010. Our investment strategy is designed to diversify risk and reduce volatility.
Being an international Group, foreign currency is our most significant treasury risk.	Changes in foreign currencies can have a significant impact on profit performance.	Our wide international spread reduces risk to individual markets but inevitably increases exchange rate risks. We aim to minimise holdings of non-functional currencies at companies around the Group, unless there are specific reasons. The Group does not hedge operating profits nor use any complex derivatives.



Evo Chev
A robust, cost effective chevron system, designed to be passively safe and straightforward to install.

Financial review

Jared Sinclair
Finance Director

Trading results

As reported through trading updates to the London Stock Exchange on 30 August and 14 November 2016 Dewhurst continued its recovery in the third and fourth quarters to end the year on a much more positive note. With the pound weakening following Brexit, the Group also benefitted from a foreign exchange gain resulting from the fact that roughly two thirds of sales and profits before tax are earned and held in foreign currencies.

Overall revenue increased by 2.6% from £45.9 million to £47.2 million and adjusted operating profit (before gain on disposal of property and acquired intangible amortisation) decreased marginally by 1.5% from £5.6 million to £5.5 million.

Solid cash position

Cash flow was once again good with £2.8 million of cash being generated from operations (2015: £3.6 million). The decrease from 2015 was predominantly down to an increase in trade receivables following a strong last quarter of sales as well as large payments of overseas tax relating to the current and previous year. The Group ended the year with cash and short-term deposits at £16.7 million, up £1.7 million from £15.0 million in 2015.

The Group started and finished the year with no borrowing or bank overdraft facility.

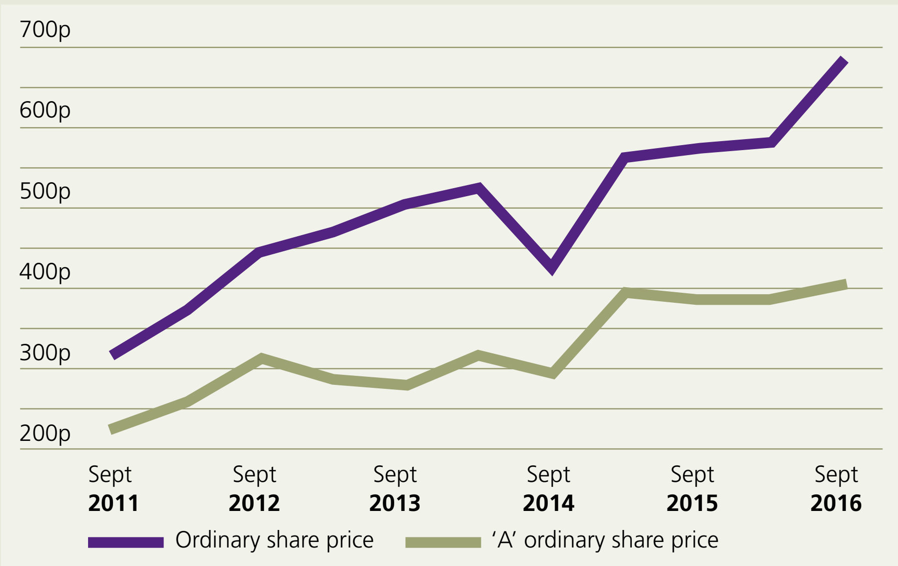
Pension scheme deficit

Despite the defined benefit pension scheme being closed to future accrual in 2010 and the Company paying in £1.4 million annually, one actuarial assumption change alone this year increased the liabilities by £9.1million. This actuarial change outweighed the extra £4.0 million gained above the expected return on the pension scheme assets to increase the scheme deficit from £12.2 million to £16.4 million.

This one actuarial assumption change is the liability discount rate dropping from 3.7% to 2.5% and is derived from the 20 year AA rated corporate bonds as at 30 September 2016 which unfortunately reported a reduced yield and is beyond our control. It should be noted that the actual beneficiary cash payments due from the scheme have not changed by a single pound as a result of this assumption change. It is purely the assessment of the current value of those payments that has increased.

// Average annual shareholder return of 17.4% over five years //

Shareholders' return



A more detailed analysis of the retirement benefit fund assets and liabilities movements is reported in note 21 and all recommendations made by the scheme's actuary to eliminate the scheme deficit within an agreed timeframe have been fully implemented.

Current taxation reporting change

Following a more in depth review of the accounting disclosure of current taxation as per IAS 12 the Group has restated the comparative taxation line in the income statement by reclassifying and disclosing £151,000 of tax saving from the 2015 current tax charge line into the other comprehensive income section of the comprehensive income statement. This restatement relates solely to the disclosure location of the tax saving resulting from a proportion of the £1.4 million payment into the closed defined benefit pension scheme. It does also change the tax note but does not affect or amend the total comprehensive income amount reported for 2015 of £2.7 million.

Amortisation of acquired intangibles

The amortisation relates to Dual Engraving's acquired customer list and key relationships which have been written off over three years. These were fully written off in February 2016.

Subsidiary share repurchase

Following on from last year, Dual Engraving exercised a second share repurchase of A$0.6 million in November 2015. Since Dual Engraving is 70% owned by Dewhurst plc, this transaction is reported both within the consolidated and company cash flow statements as well as within related party transactions – see note 23.

Capital management and treasury policy

The Group defines capital as total equity plus net debt. The objective is to maintain a strong and efficient capital base to support the Group's strategic objectives, provide optimal returns for shareholders and safeguard the Group's assets and status as a going concern. The Group is not subject to externally imposed capital requirements and the Group's philosophy is to have minimal or no borrowing were possible.

The Group seeks to reduce or eliminate financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The policies and procedures operated are regularly reviewed and approved by the board. By varying the duration of its fixed and floating cash deposits, the Group maximises the return on interest earned.

The Group continues to hedge foreign currencies internally where possible and to consider the need to use derivatives in the form of foreign exchange contracts to manage its currency risk, as reported in note 24.

Dividends and earnings

Dividends are accounted for when paid or approved by shareholders, and not when proposed, therefore the proposed final dividend for 2016 has not been accrued at the balance sheet date. The total dividend for 2016 of 11.00p per share is 10% up on 2015 (before allowing for last year's 3p special dividend resulting from a property sale) and is covered 3.8 times by earnings. Total equity improved from £24.3 million to £24.6 million. EPS dropped primarily as a result of changes in taxation.

There was no change in the number of allotted shares during the year.

5 December 2016

Group key performance indicators

	2012 £'000	2013 £'000	2014 £'000	2015 £'000	**2016** **£'000**
Revenue	51,555	43,698	46,616	45,946	**47,159**
Adjusted operating profit*	5,605	4,084	5,475	5,588	**5,502**
Operating profit	5,660	2,594	5,179	5,675	**5,410**
Profit before taxation	5,314	2,219	4,812	5,318	**5,085**
As a percentage of total equity	24.6%	10.1%	21.4%	21.8%	**20.7%**
Taxation^	1,922	1,514	1,066	1,002	**1,577**
Profit after taxation^	3,392	705	3,746	4,316	**3,508**
Total equity	21,564	21,870	22,448	24,338	**24,580**
Earnings per share, basic and diluted^	40.24p	8.85p	43.87p	50.21p	**40.75p**
Dividends per share	12.02p	8.00p	9.00p	13.00p	**11.00p**
Defective parts per million	n/a	n/a	n/a	n/a	**3,241**
On-time delivery (%)	n/a	n/a	n/a	n/a	**90%**

* Operating profit before goodwill write down, amortisation of acquired intangibles and gain on property disposal

^ Restated. For more information see tax reporting changes detailed in the Financial Review n/a – not available

Board of directors

From left to right:
Jared Sinclair
Peter Tett
David Dewhurst
John Bailey
Richard Dewhurst
Richard Young

Richard Dewhurst
BA (Eng Sc), ACMA
Chairman 60
Joined in 1985.
Previously with Ford Motor Co, Ernst & Whinney, Senior Management Consultant.

David Dewhurst
BSc (Elec Eng)
Group Managing Director 55
Joined in 1987.
Previously with Holmes & Marchant plc.

Jared Sinclair
BSc, ACA
Finance Director 46
Joined in 1997.
Previously with Moores Rowland, Chartered Accountants, Audit Senior.

Richard Young
MBA, BSc, CEng, FIET
Managing Director Thames Valley Controls 60
Joined in 1996.
Previously with MBM Technology Ltd, Director and General Manager.

John Bailey
Non-executive Director 46
Joined in 2008.
Previously with Brett Landscaping & Building Products, Commercial Director.

Peter Tett
MA, MSc
Non-executive Director 77
Joined in 2000.
Previously with Halma plc, Director.

Report of the directors

The directors present their annual report on the affairs of the Group together with the financial statements and auditor's report for the year ended 30 September 2016.

Results and dividends

The trading profit for the year, after taxation, amounted to £3.5 million (2015^: £4.3 million).

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 8.00p per share (2015: 7.00p plus a 3p special dividend) for the financial year ended 30 September 2016 will be proposed at the Annual General Meeting (AGM) to be held on 7 February 2017. If approved, this dividend will be paid on 15 February 2017 to members on the register at 20 January 2017.

An interim dividend of 3.00p per share (2015: 3.00p) was paid on 23 August 2016.

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 10.00p per share (2014: 6.20p) which amounted to £847k (2014: £525k) for the financial year ended 30 September 2015 was approved at the AGM held on 2 February 2016 and was paid on 17 February 2016 to members on the register at 22 January 2016.

Post balance sheet events

There have been no post balance sheet events since the year end.

Share repurchases

There have been no share purchases during the financial year.

Directors

The members of the board during the year were:

Mr R M Dewhurst (Chairman)

Mr D Dewhurst (Group Managing Director)

Mr J C Sinclair

Mr R Young

Mr J Bailey (Non-executive)

Mr P Tett (Non-executive)

The directors retiring by rotation at this year's Annual General Meeting are Mr R Young and Mr P Tett who, being eligible, offer themselves for re-election. The unexpired period of Mr R Young and Mr P Tett's service agreement is less than one year.

During the year and at the date of approval of the accounts, the Group maintained liability insurance for all directors.

Substantial shareholdings

At 21 November 2016, the Company had been advised of the following beneficial interests in excess of 3% of the ordinary voting share capital (other than the holdings shown under directors' share interests).

Mrs V E Dewhurst	651,000
Fidelity NorthStar Fund	250,000
Mrs B Bruce	190,208
Ms E Dewhurst	175,333
Mr J H Ridley	137,000

At the same date the register shows interests in excess of 3% of the 'A' non-voting ordinary share capital (other than directors' holdings) of:

Mrs V E Dewhurst	518,000
TD Direct Investing Nominees Ltd	393,011
W B Nominees Ltd	387,000
HSDL Nominees Ltd	332,000
PFS Discretionary Unit Fund	330,000
Vidacos Nominees Ltd	251,500
Ms E Dewhurst	167,416
Mr J H Ridley	158,100

^ Restated. For more information see tax reporting changes detailed in the Financial Review.

Directors' share interests

The table below sets out the names of the persons who were directors of the Company during the financial year ended 30 September 2016 together with details of their own and their families' beneficial interests in the shares of the Company at that date and corresponding details at 30 September 2015.

	30 September 2016		30 September 2015	
	Ordinary shares	**'A' ordinary shares**	Ordinary shares	'A' ordinary shares
Mr R M Dewhurst	**492,333**	**123,666**	492,333	123,666
Mr D Dewhurst	**419,595**	**69,932**	419,595	69,932
Mr J C Sinclair	**1,000**	**–**	1,000	–
Mr R Young	**1,000**	**–**	1,000	–
Mr J Bailey	**1,000**	**–**	1,000	–
Mr P Tett	**1,000**	**–**	1,000	–

At 30 September 2016 and 30 September 2015 there were no share options allocated to the directors. During the financial year no director was materially interested in any contract which was significant to the Group's business.

Report of the directors

Research and development
The Group continues to invest in research and development programmes for new products as well as new processes and technologies to improve overall operational effectiveness.

Employee involvement
Meetings, chaired by managing directors, are held with employee representatives. The financial position and prospects of the Company are discussed together with details of investment and changes in facilities which are planned by management. Opportunity is given at the meetings to question senior executives about matters which concern the employees.

Health and safety
Regular attention is given to health and safety with all reasonable precautions taken to provide and maintain safe working conditions for both employees and visitors alike, which comply with statutory requirements and appropriate codes of practice. In order to minimise the instances of occupational accidents and illnesses detailed policies and risk improvement programmes are regularly updated.

Employment policies
The Group is committed to ensuring that:

- All employees are treated fairly and equally irrespective of gender, ethnic origin, religion, nationality, marital status, sexuality or disability.
- The working environment is conducive to achievement and free from sexual harassment and intimidation.
- Full and fair consideration is given to the employment of disabled persons, having regard to their particular aptitudes and abilities. Wherever possible, continuing employment is provided for employees who become disabled with appropriate arrangements for re-training being made where necessary.
- The Group has a development policy committing it to the training and continuous development of its employees to develop their full potential and to achieve a more flexible and skilled workforce. Dewhurst plc, the Company, achieved IiP (Investors in People) status which was awarded in January 2002 and has since been successfully re-appraised on several occasions.

Financial risks
The Group seeks to reduce or eliminate financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. These risks are further reported in the principal risks and uncertainties within the strategic report, the financial review and in note 24.

Going concern
Positive steps to develop sales, control costs and maintain a strong cash balance have been taken by management to ensure the Company has adequate resources to continue in operational existence for the foreseeable future, therefore the directors continue to adopt a going concern basis in preparing the financial statements.

Auditor
The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditor for the purposes of the audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Directors' remuneration
The remuneration of the directors is shown below:

	Salary and fees £(000)	Bonus £(000)	Benefits in kind £(000)	Pension £(000)	**2016 Total £(000)**	2015 Total £(000)
Executive directors:						
Mr R M Dewhurst	132	87	4	–	**223**	228
Mr D Dewhurst	117	73	3	–	**193**	196
Mr J C Sinclair	97	23	–	10	**130**	134
Mr R Young	92	27	–	11	**130**	154
Non-executive directors:						
Mr J Bailey	22	–	–	–	**22**	35
Mr P Tett	19	–	–	–	**19**	19

A resolution will be proposed at the Annual General Meeting to appoint Moore Stephens LLP as auditor and to authorise the directors to determine their remuneration.

Directors' responsibilities statement

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for preparing the annual report, the strategic report, the directors' report and the financial statements in accordance with the Companies Act 2006. The directors have prepared the financial statements for the Group and the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Conceptual Framework for Financial Reporting'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

A fair presentation also requires the directors to:

- consistently select and apply appropriate accounting policies; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- present information, including accounting policies, in a manner that provides relevant, reliable comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the board

Jared Sinclair
Secretary

5 December 2016

Consolidated financial statements

The notes on pages 20 to 37 form part of these financial statements

Consolidated statement of comprehensive income

For the year ended 30 September 2016	Notes	2016 £(000)	2015 £(000)
Continuing operations			
Revenue	2	**47,159**	45,946
Operating costs	3	**(41,749)**	(40,271)
Adjusted operating profit*		**5,502**	5,588
Gain on disposal of property		**–**	357
Amortisation of acquired intangibles	11	**(92)**	(270)
Operating profit		**5,410**	5,675
Finance income	5	**126**	107
Finance costs	6	**(451)**	(464)
Profit before taxation		**5,085**	5,318
Taxation^	7	**(1,577)**	(1,002)
Profit for the financial year	8	**3,508**	4,316
Other comprehensive income:			
Actuarial gains/(losses) on the defined benefit pension scheme	21	**(5,071)**	(884)
Current tax effect^		**–**	151
Deferred tax effect		**862**	177
Total that will not be subsequently reclassified to income statement		**(4,209)**	(556)
Exchange differences on translation of foreign operations		**2,621**	(1,282)
Deferred tax effect		**(446)**	257
Total that may be subsequently reclassified to income statement		**2,175**	(1,025)
Other comprehensive income/(expense) for the year, net of tax		**(2,034)**	(1,581)
Total comprehensive income for the year		**1,474**	2,735
Profit for the year attributable to:			
Equity shareholders of the Company		**3,453**	4,255
Non-controlling interests		**55**	61
		3,508	4,316
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**1,289**	2,759
Non-controlling interests		**185**	(24)
		1,474	2,735
Basic and diluted earnings per share	9	**40.75p**	50.21p

* Operating profit before gain on disposal of property and amortisation of acquired intangibles

^ 2015 restated. For more information see tax reporting changes detailed in the Financial Review

Consolidated balance sheet

At 30 September 2016	Notes	**2016 £(000)**	2015 £(000)
Non-current assets			
Goodwill	10	**3,444**	2,695
Other intangibles	11	**91**	171
Property, plant and equipment	12	**9,240**	8,581
Deferred tax asset	19	**2,423**	2,491
		15,198	13,938
Current assets			
Inventories	14	**4,863**	4,751
Trade and other receivables	15	**10,301**	8,056
Cash and cash equivalents	16	**16,674**	14,958
		31,838	27,765
Total assets		**47,036**	41,703
Current liabilities			
Trade and other payables	17	**5,365**	4,502
Current tax liabilities		**164**	348
Short-term provisions	18	**554**	318
		6,083	5,168
Non-current liabilities			
Retirement benefit obligation	21	**16,373**	12,197
Total liabilities		**22,456**	17,365
Net assets		**24,580**	24,338
Equity			
Share capital	20	**847**	847
Share premium account		**157**	157
Capital redemption reserve		**290**	290
Translation reserve		**2,034**	(11)
Retained earnings		**20,663**	22,521
Total attributable to equity shareholders of the Company		**23,991**	23,804
Non-controlling interests		**589**	534
Total equity		**24,580**	24,338

The financial statements were approved by the board of directors and authorised for issue on 5 December 2016 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Finance Director

Company Registration Number: 160314

The notes on pages 20 to 37 form part of these financial statements

Consolidated statement of changes in equity

For the year ended 30 September 2016	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interest £(000)	Total equity £(000)
At 1 October 2014	847	157	290	929	19,590	635	22,448
Share repurchase	–	–	–	–	–	(77)	(77)
Exchange differences on translation of foreign operations	–	–	–	(1,197)	–	(85)	(1,282)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	(884)	–	(884)
Current tax effect	–	–	–	–	151	–	151
Deferred tax effect	–	–	–	257	177	–	434
Dividends paid	–	–	–	–	(768)	–	(768)
Profit for the year	–	–	–	–	4,255	61	4,316
At 30 September 2015	**847**	**157**	**290**	**(11)**	**22,521**	**534**	**24,338**
Share repurchase	**–**	**–**	**–**	**–**	**–**	**(86)**	**(86)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**2,491**	**–**	**130**	**2,621**
Actuarial gains/(losses) on defined benefit pension scheme	**–**	**–**	**–**	**–**	**(5,071)**	**–**	**(5,071)**
Deferred tax effect	**–**	**–**	**–**	**(446)**	**862**	**–**	**416**
Dividends paid	**–**	**–**	**–**	**–**	**(1,102)**	**(44)**	**(1,146)**
Profit for the year	**–**	**–**	**–**	**–**	**3,453**	**55**	**3,508**
At 30 September 2016	**847**	**157**	**290**	**2,034**	**20,663**	**589**	**24,580**

Consolidated cash flow statement

For the year ended 30 September 2016	Notes	**2016 £(000)**	2015 £(000)
Cash flows from operating activities			
Operating profit		**5,410**	5,675
Depreciation and amortisation		**907**	991
Additional contributions to pension scheme		**(1,346)**	(1,343)
Exchange adjustments		**383**	(251)
(Profit)/loss on disposal of property, plant and equipment		**(10)**	(423)
		5,344	4,649
(Increase)/decrease in inventories		**(112)**	(250)
(Increase)/decrease in trade and other receivables		**(2,245)**	1,143
Increase/(decrease) in trade and other payables		**863**	(896)
Increase/(decrease) in provisions		**236**	(641)
Cash generated from operations		**4,086**	4,005
Tax paid		**(1,302)**	(428)
Net cash from operating activities		**2,784**	3,577
Cash flows from investing activities			
Subsidiary share repurchase – non controlling interest element		**(86)**	(77)
Proceeds from sale of property, plant and equipment		**18**	458
Purchase of property, plant and equipment		**(901)**	(893)
Development costs capitalised		**(62)**	(61)
Interest received		**126**	107
Net cash generated from/(used in) investing activities		**(905)**	(466)
Cash flows from financing activities			
Dividends paid		**(1,145)**	(768)
Net cash used in financing activities		**(1,145)**	(768)
Net increase/(decrease) in cash and cash equivalents		**734**	2,343
Cash and cash equivalents at beginning of year	16	**14,958**	12,928
Exchange adjustments on cash and cash equivalents		**982**	(313)
Cash and cash equivalents at end of year	16	**16,674**	14,958

Notes to the accounts

Note 1 Accounting policies

Basis of preparation

Dewhurst plc prepares its consolidated and company financial statements on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The Group and Company financial statements have been prepared in accordance with those parts of the Companies Act 2006 that are applicable to companies adopting IFRS. The Company is registered and incorporated in the United Kingdom; and quoted on AIM.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated. The results have been prepared on the basis of all IFRS issued by the International Accounting Standards Board currently effective. All IFRS issued but not yet effective have not been applied and whilst the directors have yet to assess their full impact, initial indications are that they should not materially affect the Group.

The financial statements have been prepared under the historical cost convention and are presented in Sterling to the nearest thousand (£'000).

Key judgements and estimates

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectation of future events. The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Goodwill impairment

The directors review each cash generating unit (CGU) and calculate whether its goodwill has suffered any impairment loss, based upon the fair value calculation. The directors judged the 2016 fair value calculation to be the 2016 EBITDA multiplied by an externally derived private company price index (PCPI). This calculation is disclosed further in note 10.

Provisions

Provisions have been made for obsolete inventory, doubtful trade receivables and product warranties. These provisions are estimates and the actual costs and timing of the future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. Details of provisions are set out in notes 14, 15 and 18.

Income taxes

The Group recognises expected liabilities for tax based upon an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. The directors determined an element of the closed defined benefit pension scheme payment could give rise to a potential current tax saving which under IAS 12 is reportable in the other comprehensive income (OCI) section of the income statement. The directors judged the best way to calculate this is to perform two tax computations, with and without the OCI element, thus determining the tax difference to be the OCI tax saving. Details of the tax charge and deferred tax are set out in notes 7 and 19 respectively.

Retirement benefit obligation

Determining the value of the future defined benefit obligation requires judgement in respect of the assumptions used to calculate present values. These include inflation, salary increases, liability discount rate, and future mortality. Management makes these judgements in consultation with an independent actuary. Details of the judgements made in calculating these transactions are disclosed in note 21, along with sensitivities. The retirement benefit obligation is most sensitive to changes in the liability discount rate.

Consolidation

The consolidated financial statements incorporate the results of Dewhurst plc and all of its subsidiary undertakings made up to 30 September 2016, adjusted to eliminate intra-group balances, transactions, income and expenses. The Group has used the acquisition method of accounting to consolidate the results of subsidiary undertakings, which are included from the date of acquisition.

Revenue

Revenue is measured at the fair value of sales of goods and services less returns and sales taxes. Revenue is recognised in accordance with the contracted terms of sale. Normally the order and price quoted excludes delivery, so revenue is recognised upon dispatch when the risk in the goods passes to the customer; otherwise revenue is recognised upon delivery. Revenue may also be recognised prior to dispatch if the goods are complete but the customer is unable to take delivery but accepts transfer of risk.

Customer loyalty rebates

The cost of customer loyalty rebates is recognised within sales, with an accrual equal to the estimated fair value of the loyalty rebate recognised when the original transaction occurs. On redemption, the cost of redemption is offset against the accrual.

Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired and is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amount subject to being tested for impairment at that date.

Other intangible assets

Product research and development costs

Research expenditure is written off in the financial year in which it is incurred. Development expenditure is written off in the financial year in which it is incurred, unless it satisfies the criteria of IAS 38 for recognition as an intangible asset. Such expenditure is capitalised in the consolidated balance sheet at cost and is amortised through the consolidated income statement on a straight-line basis over its estimated economic lives of three years.

Acquired intangible assets

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably. Acquired intangible assets, comprising trademarks and customer relationships, are amortised through the consolidated income statement on a straight-line basis over their estimated economic lives of between three and ten years.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost over the assets expected useful life. The depreciation rates used are:

Buildings (basic structure)
1½% – on a declining balance basis

Buildings (fittings)
5% to 20% – on a straight-line basis

Plant and equipment
10% to 33⅓% – on a straight-line basis

Investments in subsidiaries

In the accounts of the Company, investments held as non-current assets are stated at cost less provision for impairment.

Inventories

Inventories are stated at the lower of weighted average cost and net realisable value. Cost represents direct materials, labour and appropriate production overheads. The Group provides 30% where there is more than one year's usage held and for all inventories where there is no usage in the year.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax is charged or credited to the income statement, except when it relates to items charged to other comprehensive income (OCI), in which case the current tax is also dealt with in the OCI. As such the current tax savings arising from the OCI element of the closed defined benefit pension scheme deficit contributions are also recognised in the OCI as required by IAS 12.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all material taxable temporary differences and deferred tax assets are only recognised to the extent that taxable profits will be available against which deductible temporary differences can be utilised. A deferred tax asset has been recognised in relation to the pension scheme deficit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are retranslated at the rates ruling at the balance sheet date. Any differences are taken to the income statement.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets translated into Sterling at the rates of exchange ruling at the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings and from translating the income statement at an average rate are taken to other comprehensive income. All other differences are taken to the income statement.

The treatment of tax charges or credits resulting from the exchange differences reported above match the accounting treatment and are either taken to other comprehensive income or to the income statement as appropriate.

Operating leases

Rentals under operating leases are charged to the income statement in equal annual amounts over the lease term. Benefits received as incentives to enter into the agreements are also spread on a straight-line basis over the lease term.

Employee benefits

The Group operates both a defined contribution and a defined benefit type pension scheme. Contributions in respect of the defined contribution schemes are charged to the income statement in the year they fall due. The defined benefit scheme has been set up under a trust deed with its financial assets held separately from those of the Group and is controlled by the trustees. The pension cost is assessed in accordance with the advice of an independent qualified actuary to recognise the expected cost of providing pensions on a systematic and rational basis over the expected remaining service lives of employees.

The liability recognised in the balance sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of scheme assets, together with adjustments for unrecognised actuarial gains and losses and past service costs. The defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised in full in the statement of comprehensive income. Interest on the pension scheme's liabilities and the expected return on the scheme's assets are recognised within finance costs in the income statement.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the year in which dividends are approved by shareholders or paid, which ever is earlier.

Financial instruments

The Group does not hold or issue derivative financial instruments for speculative purposes.

Trade receivables and payables

Trade receivables do not carry any interest and trade payables are not interest bearing. Receipts and payments occur over a short period and are subject to an insignificant risk of changes in value. The Group provides for all trade receivables that are more than ninety days overdue therefore the directors consider the carrying amounts are stated at their fair value after deduction of appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

Financial liabilities incurred by the Group are classified according to the substance of the contractual arrangements entered into and measured at their amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The short-term deposits have maturities of six months or less.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount when there is a present legal or constructive obligation that has arisen as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the obligation and where the amount of the obligation can be reliably estimated (see notes 15 and 18).

Note 2 Segment reporting

The Group board assess the performance of all segments on the basis of location and reports its primary segmental information by geographical destination.

The geographical analysis by significant regions is as follows:

	Revenue		Operating profit	
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
United Kingdom	**13,965**	13,603	**722**	1,753
Europe	**8,464**	8,527	**1,571**	1,232
The Americas	**14,736**	13,654	**1,281**	1,103
Asia & Australia	**12,666**	12,915	**1,816**	1,562
Other	**422**	248	**20**	25
	50,253	48,947	**5,410**	5,675
Inter-company sales	**(3,094)**	(3,001)		
Finance income/(costs)			**(325)**	(357)
Consolidated revenue/profit before tax for the year	**47,159**	45,946	**5,085**	5,318

	Assets		Liabilities	
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
United Kingdom	**17,865**	15,407	**9,460**	7,461
Europe	**7,340**	5,860	**3,386**	2,258
The Americas	**11,516**	10,913	**5,052**	4,366
Asia & Australia	**9,088**	8,980	**3,583**	2,772
Other	**1,227**	543	**975**	508
Consolidated assets/liabilities for the year	**47,036**	41,703	**22,456**	17,365

	Capital additions		Depreciation and amortisation	
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
United Kingdom	**336**	200	**258**	246
Europe	**112**	85	**95**	77
The Americas	**168**	476	**203**	174
Asia & Australia	**318**	186	**334**	483
Other	**29**	7	**17**	11
Total Group	**963**	954	**907**	991

The secondary segmental reporting is by the following business sectors:

	Revenue	
Sector	**2016 £(000)**	2015 £(000)
Lift	**37,825**	36,452
Transport	**3,101**	2,501
Keypad	**9,327**	9,994
	50,253	48,947
Inter-company sales	**(3,094)**	(3,001)
	47,159	45,946

	Assets		Capital additions	
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
Lift	**38,894**	34,417	**805**	799
Transport	**2,178**	1,855	**73**	68
Keypad	**5,964**	5,431	**85**	87
Total Group	**47,036**	41,703	**963**	954

The Group has one major customer who accounts for £9.2 million (2015: £9.6 million) of the keypad revenue which is split across the United Kingdom, Europe, Asia & Australia and the Americas.

Note 3 Operating costs

	2016 £(000)	2015 £(000)
Movement in inventory provision obsolescence	**47**	116
Cost of inventories recognised as an expense	**21,633**	20,721
Staff costs (see note 4)	**14,877**	14,245
Depreciation	**751**	668
Amortisation	**156**	323
Foreign exchange differences	**(289)**	(18)
Other operating charges	**4,574**	4,216
Operating costs	**41,749**	40,271

Other operating charges include lease rentals on premises £461k (2015: £376k) and lease rentals on motor vehicles £85k (2015: £81k), gain on sale of property, plant and equipment £10k (2015: gain of £423k) and auditor's remuneration detailed below. Expenditure on research and development was £779k (2015: £876k).

Auditor's remuneration:

	The Group		The Company	
Amounts paid to Moore Stephens LLP and associates	**2016 £(000)**	2015 £(000)	**2016 £(000)**	2015 £(000)
Statutory audit services	**60**	58	**23**	22
Pension audit services	**7**	5	**2**	1
Taxation compliance services	**11**	10	**1**	1
Other taxation advisory services	**28**	102	**28**	102
	106	175	**54**	126

Note 4 Staff costs and information regarding employees

Costs during the year were as follows:

	The Group		The Company	
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
Wages and salaries	**13,225**	12,655	**550**	580
Social security costs	**929**	884	**68**	74
Pension costs (see note 21)	**723**	706	**73**	75
	14,877	14,245	**691**	729

The average number of employees during the year was:

	The Group		The Company	
	2016 No.	2015 No.	**2016 No.**	2015 No.
Office and management	**163**	168	**8**	8
Manufacturing	**201**	204	**–**	–
	364	372	**8**	8

The executive directors comprise the key management personnel of the Group and Company in both the current and previous years.

The total amount of the directors' remuneration was as follows:

	2016 £(000)	2015 £(000)
Executive directors	**676**	712
Non-executive directors	**41**	54
	717	766

Four directors became deferred members in the Company's defined benefit pension scheme after the scheme closed to future accrual on 30 September 2010.

The remuneration of the directors is reported on page 14 of the directors report and the remuneration of the highest paid director during the year was £223k (2015: £228k). The highest paid director, under the defined benefit scheme has accrued a pension of £135k (2015: £126k) and a transfer value of £2,928k (2015: £2,745k).

Note 5 Finance income

	2016 £(000)	2015 £(000)
Bank deposit interest	**126**	107

Note 6 Finance costs

	2016 £(000)	2015 £(000)
Net costs on defined benefit pension scheme (note 21)	**(451)**	(464)

Note 7 Tax

	2016 £(000)	2015^ £(000)
Current tax		
UK corporation tax at 20% (2015: 20.5%)	**23**	94
Adjustment on prior years tax	**12**	(25)
Overseas taxation	**995**	931
	1,030	1,000
Deferred tax		
Movement in deferred taxation provision	**547**	2
Tax expense in the income statement	**1,577**	1,002

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £(000)	2015^ £(000)
Profit before tax	**5,085**	5,318
Standard rate of corporation tax in the UK	**20.0%**	20.5%
Effects of:		
Adjustments in respect of prior years	**0.2%**	(0.5%)
Overseas withholding tax	**1.5%**	0.1%
Different rate of tax on overseas earnings	**2.2%**	2.3%
Unrelieved tax losses in the period	**4.4%**	0.0%
Additional reduction for R&D expenditure	**(3.1%)**	(2.9%)
Expenses not deductible for tax purposes	**0.4%**	(1.7%)
Other permanent differences	**0.0%**	(0.9%)
Current tax on pension contributions charged to OCI	**0.0%**	2.8%
Deferred tax not recognised	**(1.2%)**	(0.9%)
Movement in deferred tax rates	**6.6%**	0.0%
Effective tax rate for the year	**31.0%**	18.8%

^ 2015 restated. For more information see tax reporting changes detailed in the Financial Review.

Note 8 Profit for the financial year

The Group profit for the year includes £3,084k (2015: £3,697k) of profit after tax, which has been dealt with in the financial statements of the holding company. The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements.

Note 9 Earnings per share and dividend per share

Weighted average number of shares	**2016 No.**	2015 No.
For basic and diluted earnings per share	**8,474,898**	8,474,898

The calculation of basic and diluted earnings per share is based on the profit for the financial year of £3,453,303 and on 8,474,898 Ordinary 10p and 'A' non-voting ordinary 10p shares, being the weighted average number of shares in issue throughout the financial year.

Paid dividends per 10p ordinary share	**2016 £(000)**	2015 £(000)
2015 final paid of 10.00p (2014: 6.20p)	**(848)**	(525)
2016 interim paid of 3.00p (2015: 3.00p)	**(254)**	(254)
Unclaimed dividends returned – more than 12 years old	**–**	11
Dividends paid – The Company	**(1,102)**	(768)
Dividends paid to non-controlling interest – Dual Engraving Pty Ltd	**(43)**	–
Dividends paid – The Group	**(1,145)**	(768)

The final proposed dividend is based on 3,309,200 Ordinary 10p shares and 5,165,698 'A' non-voting ordinary 10p shares, being the latest number of shares in issue. The directors are proposing a final dividend of 8.00p (2015: 7.00p plus a 3.00p special dividend) per share, totalling £678k (2015: £848k). This dividend has not been accrued at the balance sheet date.

Note 10 Goodwill

		The Group		The Company
	2016 £(000)	2015 £(000)	**2016 £(000)**	2015 £(000)
Cost or valuation:				
At 1 October	**9,023**	9,588	**–**	–
Exchange adjustment	**1,281**	(565)	**–**	–
At 30 September	**10,304**	9,023	**–**	–
Amortisation and impairment:				
At 1 October	**6,328**	6,459	**–**	–
Exchange adjustment	**532**	(131)	**–**	–
At 30 September	**6,860**	6,328	**–**	–
Net book value:				
At 30 September	**3,444**	2,695	**–**	–

Goodwill is allocated at acquisition to the business units that are expected to benefit from that acquisition.

The remaining goodwill relates to three CGUs in Australia, Australian Lift Components Pty Ltd acquired in February 2000 - £1,220k (2015: £954k), Lift Material Australia Pty Ltd acquired in July 2005 - £869k (2015: £680k) and Dual Engraving Pty Ltd acquired in February 2013 - £1,356k (2015: £1,061k).

Goodwill values have been tested for impairment by comparing them against the fair value of the relevant CGUs. The fair value calculations for 2016 are based on 2016 EBITDA profits multiplied by an externally derived private company price index (PCPI). The goodwill impairment charge that arose during the current year is nil (2015: nil) and the calculations indicate sufficient headroom such that a reasonable change to key assumptions would not result in an impairment of the related goodwill.

Note 11 Other intangibles

	2016 Acquired intangibles £(000)	2016 Other £(000)	2016 Total £(000)	2015 Acquired intangibles £(000)	2015 Other £(000)	The Group 2015 Total £(000)	2016 Total £(000)	The Company 2015 Total £(000)
Cost or valuation:								
At 1 October	**740**	**780**	**1,520**	859	712	1,571	**–**	–
Exchange adjustment	**205**	**11**	**216**	(119)	7	(112)	**–**	–
Additions	**–**	**62**	**62**	–	61	61	**–**	–
At 30 September	**945**	**853**	**1,798**	740	780	1,520	**–**	–
Amortisation:								
At 1 October	**657**	**692**	**1,349**	477	631	1,108	**–**	–
Exchange adjustment	**196**	**6**	**202**	(90)	8	(82)	**–**	–
Charge for the year	**92**	**64**	**156**	270	53	323	**–**	–
At 30 September	**945**	**762**	**1,707**	657	692	1,349	**–**	–
Net book value:								
At 30 September 2016	**–**	**91**	**91**	83	88	171	**–**	**–**
At 30 September 2015	**83**	**88**	**171**	382	81	463	**–**	–

All amortisation has been charged to the income statement through operating costs and no intangible items are held as security.

Note 12 Property, plant and equipment

	The Group			The Company		
	Property £(000)	Plant and equipment £(000)	Total £(000)	Property £(000)	Plant and equipment £(000)	Total £(000)
Cost or valuation:						
At 1 October 2014	8,366	6,607	14,973	6,230	172	6,402
Exchange adjustment	(260)	(268)	(528)	–	–	–
Additions	19	874	893	10	–	10
Disposals	(43)	(730)	(773)	(43)	–	(43)
At 1 October 2015	8,082	6,483	14,565	6,197	172	6,369
Exchange adjustment	**462**	**688**	**1,150**	**–**	**–**	**–**
Additions	**82**	**819**	**901**	**–**	**–**	**–**
Disposals	**–**	**(261)**	**(261)**	**–**	**–**	**–**
At 30 September 2016	**8,626**	**7,729**	**16,355**	**6,197**	**172**	**6,369**
Depreciation:						
At 1 October 2014	1,064	5,244	6,308	430	84	514
Exchange adjustment	(72)	(182)	(254)	–	–	–
Charge for the year	179	489	668	123	32	155
Disposals	(12)	(726)	(738)	(12)	–	(12)
At 1 October 2015	1,159	4,825	5,984	541	116	657
Exchange adjustment	**142**	**490**	**632**	**–**	**–**	**–**
Charge for the year	**190**	**561**	**751**	**125**	**9**	**134**
Disposals	**–**	**(252)**	**(252)**	**–**	**–**	**–**
At 30 September 2016	**1,491**	**5,624**	**7,115**	**666**	**125**	**791**
Net book value:						
At 30 September 2016	**7,135**	**2,105**	**9,240**	**5,531**	**47**	**5,578**
At 30 September 2015	6,923	1,658	8,581	5,656	56	5,712

Capital commitments contracted by the Group at 30 September 2016 amounted to £297k (2015: £493k) and by the Company £11k (2015: £58k). Capital commitments authorised but not contracted by the Group at 30 September 2016 amounted to £84k (2015: £56k) and by the Company £Nil (2015: £Nil).

Note 13 Investments – shares in subsidiary undertakings

The Company

Investments (ordinary shares) are:	2016 £(000)	2015 £(000)
Cost	**10,946**	11,147
Provision for impairment	**(6,938)**	(6,938)
	4,008	4,209

Investments in subsidiary undertakings are:	2016 £(000)	2015 £(000)
Cost (after provision for impairment):		
Dewhurst UK Manufacturing Ltd	**175**	175
Thames Valley Controls Ltd	**300**	300
Traffic Management Products Ltd	**–**	–
Dewhurst (Hungary) Kft	**72**	72
Dupar Controls Inc.	**35**	35
The Fixture Company	**–**	–
Elevator Research Manufacturing Corp.	**–**	–
Australian Lift Components Pty Ltd	**1,798**	1,798
Lift Material Australia Pty Ltd	**85**	85
Dual Engraving Pty Ltd	**1,445**	1,646
Dewhurst Australian Property Pty Ltd	**97**	97
Dewhurst (Hong Kong) Ltd	**1**	1
	4,008	4,209

The Company has eleven wholly-owned trading subsidiaries, Dewhurst UK Manufacturing Ltd, Thames Valley Controls Ltd and Traffic Management Products Ltd (TMP), registered and principally operating in England, Dewhurst (Hungary) Kft, registered and principally operating in Hungary, Dupar Controls Inc., registered and principally operating in Canada, The Fixture Company and Elevator Research Manufacturing Corp. (ERM) registered and principally operating in the United States of America, Australian Lift Components Pty Ltd, Lift Material Australia Pty Ltd and Dewhurst Australian Property Pty Ltd, all registered and principally operating in Australia and Dewhurst (Hong Kong) Ltd registered and principally operating in Hong Kong. Dual Engraving Pty Ltd which principally operates in Australia is not wholly-owned but instead is 70% owned. All companies have similar principal activities to Dewhurst plc, except TMP which operates solely in the transport sector and Dewhurst Australian Property Pty Ltd, which operates solely to hold Australian Lift Components Pty Ltd's property.

The Company has taken advantage of the exemption under Section 410(2) of the Companies Act 2006 by providing information only in relation to subsidiary undertakings the results or financial position of which, in the opinion of the Directors, principally affected the financial statements. A complete list of subsidiary and associated undertakings will be attached to the next annual return to be filed at Companies House following the approval of these accounts.

Note 14 Inventories

	The Group 2016 £(000)	2015 £(000)	The Company 2016 £(000)	2015 £(000)
Raw materials and components	**2,627**	2,640	**–**	–
Work-in-progress	**569**	441	**–**	–
Finished goods and goods for re-sale	**1,667**	1,670	**–**	–
	4,863	4,751	**–**	–

There is no material difference between the replacement cost of inventories and the amounts stated above.

Note 15 Trade and other receivables

	The Group 2016 £(000)	2015 £(000)	The Company 2016 £(000)	2015 £(000)
Trade receivables	**9,878**	7,823	**–**	–
Amounts due from subsidiary undertakings	**–**	–	**2,436**	2,755
Other receivables	**278**	75	**17**	15
Prepayments and accrued income	**145**	158	**18**	18
	10,301	8,056	**2,471**	2,788

Trade receivables are shown net of provision for impairment. The movements in the provision for impairment of receivables were as follows:

	The Group 2016 £(000)	2015 £(000)	The Company 2016 £(000)	2015 £(000)
At 1 October	**220**	221	**–**	–
Charge for the year	**(29)**	23	**–**	–
Costs recovered / (incurred)	**(3)**	(24)	**–**	–
At 30 September	**188**	220	**–**	–

At the balance sheet date the ageing analysis of trade receivables, with normal terms being 30 days net monthly, not provided for was as follows:

	Total £(000)	Within terms £(000)	Up to 1 month overdue £(000)	Up to 2 months overdue £(000)	Over 2 months overdue £(000)
As at 30 September 2016	**9,878**	**6,730**	**2,452**	**571**	**125**
As at 30 September 2015	7,823	5,399	2,170	250	4

Note 16 Cash and cash equivalents

	The Group 2016 £(000)	The Group 2015 £(000)	The Company 2016 £(000)	The Company 2015 £(000)
Cash	**8,674**	8,958	**1,127**	913
Short-term deposits	**8,000**	6,000	**8,000**	6,000
	16,674	14,958	**9,127**	6,913

Note 17 Trade and other payables

	The Group 2016 £(000)	The Group 2015 £(000)	The Company 2016 £(000)	The Company 2015 £(000)
Trade payables	**2,208**	1,511	**62**	12
Other taxes and social security costs	**692**	551	**2**	4
Other payables	**167**	90	**–**	–
Accruals and deferred income	**2,298**	2,350	**347**	438
	5,365	4,502	**411**	454

The directors consider that the carrying amount of trade payables approximates to their fair value.

Note 18 Short-term provisions

	The Group 2016 £(000)	The Group 2015 £(000)	The Company 2016 £(000)	The Company 2015 £(000)
Warranty provisions	**554**	318	**–**	–

Warranties are provided in the normal course of business based on current issues and are costed on an assessment of future claims with reference to past claims. The provision is in relation to replacement and change-out costs and although it is not possible to estimate the timing of crystallisation of the potential liability it is expected that it will be utilised during the coming year. Amounts charged to the Group income statement during the year were £326k (2015: £545k). Amounts utilised by the Group in the year were £90k (2015: £1,186k). There were no amounts charged or utilised this year or last year by the Company.

Note 19 Deferred taxation

Deferred tax asset:	The Group 2016 £(000)	The Group 2015 £(000)	The Company 2016 £(000)	The Company 2015 £(000)
At 1 October	**2,491**	2,086	**2,439**	2,343
Transfer directly (to)/from equity	**417**	433	**862**	177
Foreign exchange on deferred tax	**62**	(26)	**–**	–
Transfer (to)/from income statement	**(547)**	(2)	**(518)**	(81)
At 30 September	**2,423**	2,491	**2,783**	2,439

Deferred tax at 30 September relates to the following:	The Group 2016 £(000)	The Group 2015 £(000)	The Company 2016 £(000)	The Company 2015 £(000)
Defined benefit pension scheme	**2,783**	2,439	**2,783**	2,439
Provisions	**318**	284	**–**	–
Exchange differences on translation of foreign operations	**(678)**	(232)	**–**	–
Deferred tax asset	**2,423**	2,491	**2,783**	2,439

Note 20 Share capital

Authorised:	2016 £(000)	2015 £(000)
Shares of 10p each – 4,500,000 Ordinary	**450**	450
– 9,000,000 ‘A’ non-voting ordinary	**900**	900
	1,350	1,350

Allotted and fully paid:	2016 £(000)	2015 £(000)
Shares of 10p each – 3,309,200 (2015: 3,309,200) Ordinary	**331**	331
– 5,165,698 (2015: 5,165,698) ‘A’ non-voting ordinary	**516**	516
	847	847

The Ordinary shares and the ‘A’ non-voting ordinary shares rank in all respects pari passu except that the ‘A’ non-voting ordinary shares do not carry the right to receive notices, attend or vote at meetings of the Company.

The capital redemption reserve was created on the repurchase and cancellation of the Company’s own shares and the translation reserve represents the cumulative foreign exchange differences on the translation of the net assets of the Group’s foreign operations from their functional currency to the presentation currency of the parent.

Note 21 Retirement benefit obligation

The Group operates pension schemes in the UK, Canada, USA, Australia and Hong Kong, and also complies with Hungarian state legislation in relation to retirement provision. During the year the UK operated both defined contribution schemes, the assets of which are held in independently administered funds, and a defined benefit scheme, the assets of which are held in trustee administered funds. The total pension cost for the Group was £723k (2015: £706k). All, apart from £45k (2015: £50k) of defined benefit pension protection fund levy fees relates to defined contribution schemes. The Hungarian, Canadian, USA, Australian and Hong Kong schemes are of the defined contribution type and the cost to the Group amounted to £364k (2015: £331k). There was a prepayment of £24k at the balance sheet date in respect of the defined benefit scheme (2015: an accrued charge of £20k). On 30 September 2010 the Company closed the defined benefit scheme to future accrual and offered all existing members future pension benefits in a new Group defined contribution scheme. There were contributions during the year of £1,404k into the defined benefit scheme (2015: £1,404k). The funding policy is to review triennially the funding position with the actuary and from that review the trustees, Company and actuary agree the funding arrangements for the next three years until the next review in June 2018. The contributions for next year will be £1,404k. The percentage contribution covered the current service accruals and the fixed sum is paid to reduce the fund deficit.

As required under the Welfare Reform and Pensions Act 1999 and Stakeholder Pension Schemes Regulations 2000 the Group has offered access to a stakeholder pension scheme to employees in its UK-based companies.

The pension cost relating to the UK defined benefit scheme is assessed in accordance with the advice of qualified actuaries using the new scheme specific funding regime. The latest actuarial valuation of the scheme was on 1 June 2015. Generally, it has been assumed that future investment yields would be at 4.4% per annum (pre-retirement) and 2.9% (post-retirement).

At the date of the latest actuarial valuation of the UK scheme, the market value of the assets of the scheme exceeded £30.2 million (2012: £21.2 million) and the funding level on the on-going valuation basis was 70% (2012: 59%). The 2015 actuarial valuation takes account of secured pensioners when assessing the assets and liabilities of the fund. All the recommendations made by the scheme's actuary to eliminate the scheme deficit have been fully implemented.

IAS 19 Employee benefits

Under IAS 19 a snapshot is taken of the retirement benefit fund assets and liabilities to coincide with the Company's financial year-end. Thus movements in equity and bond markets and in discount rates may create some volatility in the calculation of the scheme assets and liabilities. The weighted average duration of the liabilities is 19 years and payments from the scheme assets are made on a monthly basis. The FTSE-100 index stood at 6,899 at 30 September 2016 (2015: 6,062).

Assumptions

The following actuarial assumptions, updated to 30 September 2016 by the scheme actuary, have been used in preparing the disclosures required under IAS 19:

		2016	2015
Retail price index expected to rise by		**3.0%**	3.0%
Pensionable salaries will increase by		**n/a**	n/a
Deferred pensions and pensions in payment will increase by		**3.0%**	3.0%
Liabilities discounted at a rate of		**2.5%**	3.7%
Long-term rate of expected return		**2.5%**	3.7%
Expected lifetime for a member retiring at the accounting date	– for males	**22.8 yrs**	23.0 yrs
	– for females	**24.1 yrs**	24.4 yrs
Future expected lifetime for a member retiring in 20 years' time	– for males	**24.9 yrs**	25.0 yrs
	– for females	**25.6 yrs**	25.8 yrs

The sensitivities regarding the principal assumptions used are set out below:

Assumption	Change in assumption	Impact on plan liabilities
Liability Discount Rate	Increase/decrease by 0.1%	Decrease/increase by 1.6%
Rate of inflation (RPI)	Increase/decrease by 0.1%	Increase/decrease by 0.6%
Rate of mortality	Increase/decrease by 0.1 year	Increase/decrease by 0.3%

IAS 19 requires the value of annuities purchased in respect of pensioners and widow(er)s to be taken into current year calculations.

Note 21 Retirement benefit obligation continued

Fair value:	**2016 £(000)**	2015 £(000)	2014 £(000)
Equities	**26,867**	21,712	21,916
Bonds	**2,881**	2,668	2,616
Other	**3,825**	3,787	2,963
Total fair value of scheme assets	**33,573**	28,167	27,495
Present value of scheme liabilities	**(49,946)**	(40,364)	(39,687)
Scheme deficit	**(16,373)**	(12,197)	(12,192)
Related deferred tax asset	**2,783**	2,439	2,438
Net pension liability	**(13,590)**	(9,758)	(9,754)

The amounts charged to operating profit in relation to current service costs are £nil (2015 & 2014: £nil).

Amounts charged to other finance costs:

	2016 £(000)	2015 £(000)	2014 £(000)
Expected return on pension scheme assets	**1,042**	1,044	1,090
Interest on pension scheme liabilities	**(1,493)**	(1,508)	(1,542)
Net benefit/(cost)	**(451)**	(464)	(452)

Amounts recognised in the statement of comprehensive income (SOCI):

	2016 £(000)	2015 £(000)	2014 £(000)
Actual return less expected return on pension scheme assets	**4,045**	(714)	542
Experience gains and losses arising on the scheme liabilities	**218**	(41)	(5)
Changes in assumptions underlying the present value of the scheme liabilities	**(9,334)**	(129)	(3,107)
Actuarial gains/(losses) recognised in SOCI	**(5,071)**	(884)	(2,570)

History of experience gains and losses:

	2016 £(000)	2015 £(000)	2014 £(000)
Difference between the expected and actual return on scheme assets	**4,045**	(714)	542
Percentage of scheme assets	**12.0%**	(2.5%)	2.0%
Experience gains and losses on scheme liabilities	**218**	(41)	(5)
Percentage of the present value of scheme liabilities	**(0.4%)**	0.1%	0.01%
Total amount recognised in SOCI	**(5,071)**	(884)	(2,570)
Percentage of the present value of scheme liabilities	**10.2%**	2.2%	6.5%

The movement in the scheme assets, liabilities and the net deficit are as follows:

	2016 Assets £(000)	**2016 Liabilities £(000)**	**2016 Total £(000)**	2015 Total £(000)	2014 Total £(000)
Deficit in scheme at 1 October	**28,167**	**(40,364)**	**(12,197)**	(12,192)	(10,530)
Movement in the year:					
– Current service cost	**–**	**–**	–	–	–
– Secured pensioners value movement	**(42)**	**42**	**–**	–	–
– Benefits paid	**(985)**	**985**	**–**	–	–
– Contributions	**1,404**	**–**	**1,404**	1,404	1,404
– Administration charge	**(58)**	**–**	**(58)**	(61)	(44)
– Other finance costs	**1,042**	**(1,493)**	**(451)**	(464)	(452)
– Actuarial gains/(losses)	**4,045**	**(9,116)**	**(5,071)**	(884)	(2,570)
Deficit in scheme at 30 September	**33,573**	**(49,946)**	**(16,373)**	(12,197)	(12,192)

Included in retained earnings is (£18,575k) (2015: (£13,504k)) being the cumulative actuarial gains or (losses) on the defined benefit pension scheme.

Note 22 Lease commitments

Total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	The Group				The Company	
	2016 Land and buildings £(000)	**2016 Other £(000)**	2015 Land and buildings £(000)	2015 Other £(000)	**2016 Other £(000)**	2015 Other £(000)
Within one year	**373**	**68**	238	78	**–**	–
Within two to five years	**398**	**40**	74	90	**–**	–
	771	**108**	312	168	**–**	–

Note 23 Related parties

The controlling party of the Group is Dewhurst plc. Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation. However during the year, in the Company's financial statements, there have been the following transactions: group management charges, interest on loans at floating rates on a commercial basis and dividend income received. All transactions are settled by cash. Any loans given are secured on the assets of the relevant company.

	2016 £(000)	2015 £(000)
Management charges to subsidiaries	**862**	830
Rent charges to subsidiaries	**255**	255
Interest income received	**75**	89
Dividend income received	**3,737**	3,725
Dividends paid to directors	**144**	102
Subsidiary share repurchase	**201**	181
Loans and trade receivables due	**2,435**	2,755

Note 24 Financial instruments

The Group's policies towards using financial instruments to manage interest rate, liquidity and currency exposure risks are explained in the financial review on page 11. The Group defines capital as total equity plus net debt. The objective is to maintain a strong and efficient capital base to support the Group's strategic objectives, provide optimal returns for shareholders and safeguard the Group's assets and status as a going concern. The Group is not subject to externally imposed capital requirements.

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings, taking into account local business practices, are then factored into any contracts.

Interest risk

The Group is exposed to interest risk but purely on bank deposits. It is Group policy to maximise the return on interest earned whilst taking adequate steps to monitor the viability of the bank and safe guarding the assets of the Group.

Foreign exchange contracts

During the year the Group used derivatives to manage credit risk. On 30 September 2016, Dewhurst plc entered into a A$1,600,000 Australian Dollar foreign exchange contract, in the amount of £940,230 Sterling, the purpose of which is to hedge against Australian Dollar currency fluctuations. The contract was stated at its fair value and the Group does not hedge account. This contract matured on 30 October 2016.

Currency and interest rate exposure of financial assets and liabilities

The cash and cash equivalent amount of £16,674k (2015: £14,958k) is made up of cash of £8,674k (2015: £8,958k) and short-term deposits of £8,000k (2015: £6,000k). The cash was invested at overnight rates based on the relevant national LIBOR. Short-term deposits were on 95 days notice at an average yearly rate of 1.35% (2015: 1.35%). Of the cash, £11,684k (2015: £10,458k) is denominated in Sterling with the balance of £4,990k (2015: £4,500k) held in foreign currencies. Other financial assets and liabilities do not attract interest.

Currency and interest profile	Floating rate assets £(000)	Fixed rate assets £(000)	Interest free assets £(000)	The Group Interest free liabilities £(000)	Floating rate assets £(000)	Fixed rate assets £(000)	Interest free assets £(000)	The Company Interest free liabilities £(000)
Sterling	4,458	6,000	2,873	509	913	6,000	–	13
AUS Dollars	1,685	–	1,519	269	–	–	–	–
US Dollars	887	–	2,217	341	–	–	–	–
CAN Dollars	1,789	–	1,111	206	–	–	–	–
Other	139	–	103	186	–	–	–	–
At 30 September 2015	8,958	6,000	7,823	1,511	913	6,000	–	13
Sterling	**3,684**	**8,000**	**3,339**	**836**	**1,127**	**8,000**	**–**	**63**
AUS Dollars	**2,051**	**–**	**1,762**	**298**	**–**	**–**	**–**	**–**
US Dollars	**1,246**	**–**	**3,071**	**389**	**–**	**–**	**–**	**–**
CAN Dollars	**1,317**	**–**	**1,536**	**151**	**–**	**–**	**–**	**–**
Other	**376**	**–**	**170**	**534**	**–**	**–**	**–**	**–**
At 30 September 2016	**8,674**	**8,000**	**9,878**	**2,208**	**1,127**	**8,000**	**–**	**63**

The only operation that holds material monetary assets and liabilities in currencies other than their functional currency is the Hungarian subsidiary Dewhurst (Hungary) Kft, which holds cash denominated in US Dollars with a balance of £555k (2015: £280k), trade receivables denominated US Dollars with a balance of £1,765k (2015: £1,464k) and trade payables denominated in Euros with a balance of £55k (2015: £162k).

Fair value of financial instruments

Fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, excluding accrued interest, and is calculated by reference to market rates discounted to current value. Accordingly, the directors believe that there is no material difference between the carrying amount and the fair value of its financial instruments.

Bank facilities

The Group has no undrawn committed bank overdraft facility (2015: no facility).

Company financial statements

The notes on pages 20 to 37 form part of these financial statements

Company statement of changes in equity

For the year ended 30 September 2016	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Retained earnings £(000)	Total equity £(000)
At 1 October 2014	847	157	290	5,894	7,188
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	(884)	(884)
Deferred tax effect	–	–	–	177	177
Dividends paid	–	–	–	(768)	(768)
Profit for the year	–	–	–	3,697	3,697
At 30 September 2015	**847**	**157**	**290**	**8,116**	**9,410**
Actuarial gains/(losses) on defined benefit pension scheme	**–**	**–**	**–**	**(5,071)**	**(5,071)**
Deferred tax effect	**–**	**–**	**–**	**862**	**862**
Dividends paid	**–**	**–**	**–**	**(1,102)**	**(1,102)**
Profit for the year	**–**	**–**	**–**	**3,084**	**3,084**
At 30 September 2016	**847**	**157**	**290**	**5,889**	**7,183**

Company balance sheet

At 30 September 2016	Notes	2016 £(000)	2015 £(000)
Non-current assets			
Property, plant and equipment	12	**5,578**	5,712
Deferred tax asset	19	**2,783**	2,439
Investments in subsidiaries	13	**4,008**	4,209
		12,369	12,360
Current assets			
Trade and other receivables	15	**2,471**	2,788
Cash and cash equivalents	16	**9,127**	6,913
		11,598	9,701
Total assets		**23,967**	22,061
Current liabilities			
Trade and other payables	17	**411**	454
		411	454
Non-current liabilities			
Retirement benefit obligation	21	**16,373**	12,197
Total liabilities		**16,784**	12,651
Net assets		**7,183**	9,410
Equity			
Share capital	20	**847**	847
Share premium account		**157**	157
Capital redemption reserve		**290**	290
Retained earnings		**5,889**	8,116
Total equity		**7,183**	9,410

The financial statements were approved by the board of directors and authorised for issue on 5 December 2016 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Finance Director

Company Registration Number: 160314

The notes on pages 20 to 37 form part of these financial statements

Company cash flow statement

For the year ended 30 September 2016	Notes	2016 £(000)	2015 £(000)
Cash flows from operating activities			
Operating profit /(loss)		**221**	367
Depreciation and amortisation		**134**	155
Additional contributions to pension scheme		**(1,346)**	(1,343)
(Profit)/loss on disposal of property, plant and equipment		**–**	(357)
		(991)	(1,178)
(Increase)/decrease in trade and other receivables		**317**	559
Increase/(decrease) in trade and other payables		**(43)**	105
Cash generated from /(used in) operations		**(717)**	(514)
Income tax paid		**(74)**	(6)
Net cash from/(used in) operating activities		**(791)**	(520)
Cash flows from investing activities			
Subsidiary share repurchase		**201**	181
Proceeds from sale of property, plant and equipment		**–**	388
Purchase of property, plant and equipment		**–**	(10)
Interest received		**169**	156
Dividends received		**3,737**	3,725
Net cash generated from/(used in) investing activities		**4,107**	4,440
Cash flows from financing activities			
Dividends paid		**(1,102)**	(768)
Net cash used in financing activities		**(1,102)**	(768)
Net increase/(decrease) in cash and cash equivalents		**2,214**	3,152
Cash and cash equivalents at beginning of year	16	**6,913**	3,761
Cash and cash equivalents at end of year	16	**9,127**	6,913

Report of the independent auditor

Independent auditor's report to the members of Dewhurst plc

We have audited the Group and parent company financial statements ("the financial statements") of Dewhurst plc for the year ended 30 September 2016, which comprise the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statement of changes in equity, the consolidated and parent company cash flow statements, and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the Annual Report. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been prepared in accordance with the requirements of the Companies Act 2006;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Fenner Senior Statutory Auditor

for and on behalf of
Moore Stephens LLP
Chartered Accountants and
Statutory Auditor

London
6 December 2016

Notice of meeting

Notice is hereby given that the ninety seventh Annual General Meeting of Dewhurst plc will be held at its registered office, Unit 9 Hampton Business Park, Hampton Road West, Feltham, TW13 6DB on 7 February 2017 at 11:00 am. The meeting will be held in order to consider and, if thought fit, pass resolutions 1 to 6 as ordinary resolutions.

Ordinary resolutions

1 To receive and adopt the statement of accounts for the year ended 30 September 2016 and the reports of the directors and auditor thereon.

2 To declare and approve a final dividend on the Ordinary and 'A' non-voting ordinary shares to shareholders on the register of members on 20 January 2017.

3 To re-elect as a director Mr R Young, who retires by rotation under the Articles of Association.

4 To re-elect as a director Mr P Tett, who retires by rotation under the Articles of Association.

5 To re-appoint Moore Stephens LLP as auditor at a fee to be agreed by the directors.

6 As special business to consider and, if thought fit, pass the following ordinary resolution: that the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of up to an aggregate of 496,380 Ordinary shares and 774,855 'A' non-voting ordinary shares of 10p each (representing 15% of the issued share capital) in the Company at a price per share (exclusive of expenses) of not less than 10p and not more than 105% of the average of the middle market quotations for such Ordinary and 'A' non-voting ordinary shares, as derived from the Stock Exchange Daily Official List, for the ten dealing days immediately preceding the day of the purchase; such authority to expire at the conclusion of the Annual General Meeting to be held in 2018 save that the Company may purchase shares at any later date where such purchase is pursuant to any contract made by the Company before the expiry of this authority.

7 To transact any other ordinary business of the Company.

By order of the board

Jared Sinclair
Secretary

31 December 2016

Notes

1 All Shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 11:00 am on 5 February 2017 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting. 'A' non-voting ordinary shares do not carry the right to attend or vote at meetings of the Company.

2 Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, vote and speak on their behalf. A proxy need not be a member of the Company. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Shareholders are invited to complete and return the enclosed Proxy Form. Completion of the Proxy Form will not prevent a Shareholder from attending and voting at the meeting if subsequently he/she finds that he/she is able to do so. To be valid, completed Proxy Forms must be received by the Company Secretary at the registered office of the Company, Dewhurst plc, Unit 9 Hampton Business Park, Hampton Road West, Feltham, TW13 6DB, by fax at +44 (0)20 8744 8206, with the scanned Proxy Form by email at cosec@dewhurst.plc.uk by no later than 48 hours before the time appointed for the holding of the meeting, or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting.

3 Representatives of Shareholders which are corporations attending the meeting should produce evidence of their appointment by an instrument executed in accordance with Section 44 of the Companies Act 2006 or signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 71 of the Company's Articles of Association.

4 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of Ordinary Shares registered in the register of members of the Company at 11:00 am on 5 February 2017 (being 48 hours prior to the time fixed for the meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5 A copy of the Company's current Articles of Association will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and Public Holidays excluded) at the registered office of the Company until the date of the Annual General Meeting and at the place of the meeting for 15 minutes prior to and until the termination of the meeting.

Group companies

Head office

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Dan Robinson
Managing Director

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Eric Fung
General Manager

Other overseas representation

The Group maintains overseas representation in major countries throughout the world.

Advisers and company information

Advisers

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Chartered Accountants and
Statutory Auditor
150 Aldersgate Street
London EC1A 4AB

Bankers

National Westminster Bank plc
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Hounslow
Middlesex TW3 1EG

Registrars

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Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA

Nominated adviser and broker

Cantor Fitzgerald Europe
1 Churchill Place
Canary Wharf
London E14 5RD

Solicitors

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53 Davies Street
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Secretary and registered office

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For more information:
www.dewhurst.plc.uk