



**DEWHURST plc**  
**INTERIM REPORT**  
**2012**

## **Dewhurst plc - Interim Results for the 6 months ended 31 March 2012**

### **Directors' Interim Report**

#### **FIRST HALF**

Group turnover was up 34% at £26.0 million compared to £19.4 million last year and profit before tax increased 45% to £2.9 million (2011: £2.0 million). The first half profit includes a net gain of £0.4 million from the sale of property offset by goodwill impairments detailed below. Operating profit before these exceptional items improved 25% to £2.6 million (2011: £2.1 million). Earnings per share increased 47% to 24.2p (2011: 16.4p).

Sales improvements were broadly based with increases in all three major product groups and growth both in the UK and overseas. Part of the increase in sales in the keypad division is as a result of the change in product content previewed in last year's annual report.

During the first half we moved the headquarters and factory to our new home in Feltham. We also sold our old premises at Inverness Road, Hounslow. There was a gain of £3.9m on the sale of the old premises, which the Directors believe qualifies for Capital Gains Tax roll-over relief. These results have been prepared on that basis.

Although we have seen a recovery in the performance of TMP, our traffic products company, this is insufficient to support the goodwill on acquisition and it has been written down substantially. We have taken action to improve the performance of our US acquisition, ERM, but that business is still not generating sufficient profit to support its goodwill on acquisition, so that has also been written off. Despite the write downs we remain committed to these businesses and consider they can make an important contribution to the group in the future.

#### **OUTLOOK**

Currently sales remain healthy, but market confidence is fragile. The economic news in the press is remorselessly gloomy, so we feel this must impact on our demand at some point. Contacts in the UK industry point to a dearth of new projects commencing and this will feed through to us in time. Overseas demand seems steadier, though subject to the same concerns regarding fragility.

The sale of the premises has put our cash position back on a sound footing. Whilst we are committed by the agreed funding plan to direct some of this cash towards the pension fund over the next few years, we are well placed to continue our investment in new products and take advantage of any other growth opportunities that arise.

#### **DIVIDENDS**

The Directors have declared an interim dividend of 2.34p which amounts to £199,000, compared with 2.23p last year (£190,000). The interim dividend is payable on 28 August 2012 and will be posted on 23 August 2012 to shareholders appearing in the Register at 3:00 p.m. on 13 July 2012 (ex-dividend date being 11 July 2012).

A final 2011 dividend of 4.46p which amounted to £380,000, compared with 4.24p previous year (£361,000) was approved at the AGM held on 26 January 2012 and was paid on 14 February 2012 to members on the register at 13 January 2012.

By Order of the Board

**J C SINCLAIR**

Finance Director & Secretary

12 June 2012

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## Dewhurst plc

The unaudited consolidated income statement, statement of recognised income and expense, balance sheet and cash flow statement of Dewhurst plc and its subsidiaries for the half-year ended 31 March 2012, as compared with the corresponding half-year ended 31 March 2011 and the year ended 30 September 2011, shows the following results:

<b><u>Consolidated income statement</u></b>	<b>Half year ended 31 March 2012 £(000)'s</b>	<b>Half year ended 31 March 2011 £(000)'s</b>	<b>Year ended 30 September 2011 £(000)'s</b>
<b>Continuing operations</b>			
<b>Revenue</b>	<b>25,997</b>	19,409	41,487
<b>Operating costs</b>	<b>(22,981)</b>	(17,359)	(37,063)
Operating profit before goodwill write down and gain on disposal of property	<b>2,568</b>	2,050	4,880
Goodwill write down	<b>(3,498)</b>	-	(456)
Gain on disposal of property	<b>3,946</b>	-	-
<b>Operating profit</b>	<b>3,016</b>	2,050	4,424
Share of loss from associates	-	(21)	(29)
Finance income	<b>32</b>	37	62
Finance costs	<b>(152)</b>	(63)	(137)
<b>Profit before taxation</b>	<b>2,896</b>	2,003	4,320
<b>Tax on profits</b>	<b>Est. (840)</b>	Est. (605)	(1,428)
<b>Profit for the period</b>	<b>2,056</b>	1,398	2,892
Attributable to:			
Equity shareholders of the Company	<b>2,077</b>	1,411	2,924
Non-controlling interests	<b>(21)</b>	(13)	(32)
	<b>2,056</b>	1,398	2,892
Basic and diluted earnings per share	<b>24.16p</b>	16.43p	33.98p
Dividends per share	<b>2.34p</b>	2.23p	6.69p
<b><u>Consolidated statement of recognised income and expense</u></b>	<b>Half year ended 31 March 2012 £(000)'s</b>	<b>Half year ended 31 March 2011 £(000)'s</b>	<b>Year ended 30 September 2011 £(000)'s</b>
<b>Net income/(expense) recognised directly in equity:</b>			
Actuarial gains/(losses) on the defined benefit pension scheme	<b>Est. 768</b>	Est. 583	(2,423)
Exchange differences on translation of foreign operations	<b>104</b>	558	(41)
Tax on items taken directly to equity	<b>(227)</b>	(319)	640
Net income / (expense) recognised directly in equity in the period	<b>645</b>	822	(1,824)
Profit for the financial period	<b>2,056</b>	1,398	2,892
<b>Total recognised income and expense for the period</b>	<b>2,701</b>	2,220	1,068
Attributable to:			
Equity shareholders of the Company	<b>2,721</b>	2,242	1,071
Non-controlling interests	<b>(20)</b>	(22)	(3)
	<b>2,701</b>	2,220	1,068

Dewhurst plc

**Consolidated balance sheet**

	Half year ended 31 March 2012 £(000)'s	Half year ended 31 March 2011 £(000)'s	Year ended 30 September 2011 £(000)'s
<b>Non-current assets</b>			
Goodwill	3,980	7,814	7,357
Other intangibles	122	184	158
Property, plant and equipment	9,808	8,812	9,581
Deferred tax asset	1,408	1,097	1,779
	<b>15,318</b>	<b>17,907</b>	<b>18,875</b>
<b>Current assets</b>			
Inventories	4,505	4,046	4,269
Trade and other receivables	10,032	8,704	8,394
Current tax assets	-	-	203
Cash and cash equivalents	9,982	3,098	5,009
	<b>24,519</b>	<b>15,848</b>	<b>17,875</b>
<b>Total assets</b>	<b>39,837</b>	<b>33,755</b>	<b>36,750</b>
<b>Current liabilities</b>			
Trade and other payables	6,970	3,420	5,222
Current tax liabilities	237	41	-
Short term provisions	596	421	475
	<b>7,803</b>	<b>3,882</b>	<b>5,697</b>
<b>Non-current liabilities</b>			
Retirement benefit obligation	7,979	6,927	9,299
<b>Total liabilities</b>	<b>15,782</b>	<b>10,809</b>	<b>14,996</b>
<b>Net assets</b>	<b>24,055</b>	<b>22,946</b>	<b>21,754</b>
<b>Equity</b>			
Share capital	851	851	851
Share premium account	157	157	157
Capital redemption reserve	286	286	286
Translation reserve	2,137	2,468	2,059
Retained earnings	20,495	18,994	18,252
Total attributable to equity shareholders of the Company	<b>23,926</b>	<b>22,756</b>	<b>21,605</b>
Non-controlling interests	129	190	149
<b>Total equity</b>	<b>24,055</b>	<b>22,946</b>	<b>21,754</b>

These half-year condensed financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The results for the 2011 year set out above are abridged. Full accounts for that year reported under IFRS, on which the auditors of the Company made an unqualified report have been delivered to the Registrar of Companies.

The presentation of these Interim Financial Statements is consistent with the 2011 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2011 Interim Financial Statements to take into account any presentational changes made in the 2011 Financial Statements or in these Interim Financial Statements.

**Consolidated cash flow statement**

	Half year ended 31 March 2012 £(000)'s	Half year ended 31 March 2011 £(000)'s	Year ended 30 September 2011 £(000)'s
<b>Cash flows from operating activities</b>			
Operating profit	3,016	2,050	4,424
Goodwill write down	3,498	-	456
Depreciation and amortisation	300	303	812
Additional income to pension scheme	(640)	(579)	(1,313)
Exchange adjustments	(7)	166	(208)
(Profit)/loss on disposal of property, plant and equipment	(3,946)	-	(4)
	2,221	1,940	4,167
(Increase)/decrease in inventories	(236)	424	202
(Increase)/decrease in trade and other receivables	(1,638)	(1,005)	(674)
Increase/(decrease) in trade and other payables	1,748	(1,190)	191
Increase/(decrease) in provisions	121	72	126
Cash generated from operations	2,216	241	4,012
Interest paid	(2)	-	(16)
Income tax paid	(418)	(470)	(1,095)
<b>Net cash from operating activities</b>	<b>1,796</b>	<b>(229)</b>	<b>2,901</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of associate undertaking	-	667	-
Acquisition of subsidiary undertakings	-	(1,955)	(869)
Acquisition of business and assets	-	(919)	(907)
Proceeds from sale of property, plant and equipment	4,538	8	7
Purchase of property, plant and equipment	(1,061)	(3,870)	(5,124)
Development costs capitalised	-	-	(129)
Interest received	32	37	61
<b>Net cash used in investing activities</b>	<b>3,509</b>	<b>(6,032)</b>	<b>(6,961)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(380)	(361)	(551)
<b>Net cash used in financing activities</b>	<b>(380)</b>	<b>(361)</b>	<b>(551)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,925</b>	<b>(6,622)</b>	<b>(4,611)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,009</b>	<b>9,593</b>	<b>9,593</b>
Exchange adjustments on cash and cash equivalents	48	127	27
<b>Cash and cash equivalents at end of period</b>	<b>9,982</b>	<b>3,098</b>	<b>5,009</b>

## Board of Directors

Richard Dewhurst, B.A.(Eng. Sc.), A.C.M.A. Chairman  
David Dewhurst, B.Sc.(Eng.)  
Richard Young, MBA, B.Sc., C.Eng., M.I.E.E.  
Jared Sinclair, B.Sc., A.C.A.  
John Bailey  
Peter Tett, M.A., M.Sc. Non-executive

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## Registrars

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## Overseas representation:

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