



DEWHURST plc
INTERIM REPORT
2013

Directors' Interim Report

FIRST HALF

It has been a difficult six months for the Group after the record performance last year. Group turnover was down 17% at £21.6 million (2012: £26.0 million) and profit before tax fell 41% to £1.7 million (2012: £2.9 million). Operating profit before exceptional items dropped 32% to £1.8 million (2012: £2.6 million). Earnings per share fell 41% to 14.4p (2012: 24.2p). However the Group balance sheet remains strong and we have paid £1.8 million for our 70% acquisition of Dual Engraving yet still have net cash of £8.1 million.

The biggest drop in sales was in the Keypad division, which was expected. The most significant reason for the decrease is as a result of a major customer's change in product content. Essentially a significant component that was previously added to both our costs and revenues has been removed from our remit. Lift division sales have fallen principally in the UK and Europe, where confidence seems most fragile. However sales have been weak in almost all areas other than North America. The Transport division has also seen a significant fall in sales with cutbacks in local authority and central government spending really starting to bite this year. We are looking at the structure of our Transport businesses to more closely align them to current levels of demand.

OUTLOOK

Sales are currently at a disappointing level and there is no sign of short term improvement. Nevertheless confidence is improving in some markets albeit slowly and fitfully. Customers suggest that there are projects coming, but their timing is uncertain and we do not expect them to impact this financial year. We have introduced some new products for the lift market which have been well received by customers, but it will take time for these products to filter through the project chain to orders.

Dual Engraving, our acquisition in Perth, Western Australia (WA) is currently performing within management expectations. Although there is talk of the Australian economy facing a more difficult period, there are a good number of committed projects in WA that should help the company prosper in the short to medium term. However, the amortisation of intangible assets capitalised on the acquisition of Dual Engraving will impact on its immediate contribution to the Group's profit.

DIVIDENDS

The Directors have declared an interim dividend of 2.34p which amounts to £199,000; this is the same as last year. The interim dividend is payable on 27 August 2013 and will be posted on 22 August 2013 to shareholders appearing in the Register at 3:00 p.m. on 12 July 2013 (ex-dividend date being 10 July 2013).

A final 2012 dividend of 9.68p which amounted to £834,000, compared with 4.46p previous year (£380,000) was approved at the AGM held on 5 February 2013 and was paid on 21 February 2013 to members on the register at 18 January 2013.

By Order of the Board

J C SINCLAIR

Finance Director & Secretary

11 June 2013

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 2013, as compared with the corresponding half-year ended 31 March 2012 and the year ended 30 September 2012, shows the following results:

Consolidated income statement

	Half year ended 31 March 2013 £000's	Half year ended 31 March 2012 £000's	Year ended 30 September 2012 £000's
Continuing operations			
Revenue	21,592	25,997	51,555
Operating costs	(19,841)	(22,981)	(45,895)
Operating profit before goodwill write down and gain on disposal of property	1,751	2,568	5,605
Goodwill write down	-	(3,498)	(3,889)
Gain on disposal of property	-	3,946	3,944
Operating profit	1,751	3,016	5,660
Finance income	62	32	124
Finance costs	(92)	(152)	(342)
Profit before taxation	1,721	2,896	5,442
Tax on profits	Est. (499)	Est. (840)	(1,688)
Profit for the period	1,222	2,056	3,754
Attributable to:			
Equity shareholders of the Company	1,233	2,077	3,786
Non-controlling interests	(11)	(21)	(32)
	1,222	2,056	3,754

Basic and diluted earnings per share	14.36p	24.16p	44.48p
Dividends per share	2.34p	2.34p	12.02p

Consolidated statement of recognised income and expense

	Half year ended 31 March 2013 £000's	Half year ended 31 March 2012 £000's	Year ended 30 September 2012 £000's
Net income/(expense) recognised directly in equity:			
Actuarial gains/(losses) on the defined benefit pension scheme	Est. 1,615	Est. 768	(3,619)
Exchange differences on translation of foreign operations	458	104	49
Tax on items taken directly to equity	(673)	(227)	821
Net income / (expense) recognised directly in equity in the period	1,400	645	(2,749)
Profit for the financial period	1,222	2,056	3,754
Total recognised income and expense for the period	2,622	2,701	1,005
Attributable to:			
Equity shareholders of the Company	2,571	2,721	1,004
Non-controlling interests	51	(20)	1
	2,622	2,701	1,005

Consolidated balance sheet

	Half year ended 31 March 2013 £000's	Half year ended 31 March 2012 £000's	Year ended 30 September 2012 £000's
Non-current assets			
Goodwill	4,991	3,980	3,555
Other intangibles	1,166	122	125
Property, plant and equipment	9,924	9,808	9,669
Deferred tax asset	1,303	1,408	2,037
	17,384	15,318	15,386
Current assets			
Inventories	4,676	4,505	4,852
Trade and other receivables	9,412	10,032	8,421
Cash and cash equivalents	8,112	9,982	11,101
	22,200	24,519	24,374
Total assets	39,584	39,837	39,760
Current liabilities			
Trade and other payables	4,910	6,970	5,583
Current tax liabilities	146	237	35
Short term provisions	759	596	722
	5,815	7,803	6,340
Non-current liabilities			
Retirement benefit obligation	9,631	7,979	11,856
Total liabilities	15,446	15,782	18,196
Net assets	24,138	24,055	21,564
Equity			
Share capital	851	851	851
Share premium account	157	157	157
Capital redemption reserve	286	286	286
Translation reserve	2,453	2,137	2,097
Retained earnings	19,615	20,495	18,173
Total attributable to equity shareholders of the Company	23,362	23,926	21,564
Non-controlling interests	776	129	-
Total equity	24,138	24,055	21,564

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 2012 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 2012 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2012 Interim Financial Statements to take into account any presentational changes made in the 2012 Financial Statements or in these Interim Financial Statements.

Consolidated cash flow statement

	Half year ended 31 March 2013 £000's	Half year ended 31 March 2012 £000's	Year ended 30 September 2012 £000's
Cash flows from operating activities			
Operating profit	1,751	3,016	5,660
Goodwill write down	-	3,498	3,889
Depreciation and amortisation	446	300	875
Additional income to pension scheme	(662)	(640)	(1,399)
Exchange adjustments	(73)	(7)	(155)
(Profit)/loss on disposal of property, plant and equipment	(3)	(3,946)	(3,964)
	1,459	2,221	4,906
(Increase)/decrease in inventories	176	(236)	(583)
(Increase)/decrease in trade and other receivables	(991)	(1,638)	(27)
Increase/(decrease) in trade and other payables	(672)	1,748	361
Increase/(decrease) in provisions	37	121	247
Cash generated from operations	9	2,216	4,904
Interest paid	-	(2)	(5)
Income tax paid	(376)	(418)	(889)
Net cash (used in) / from operating activities	(367)	1,796	4,010
Cash flows from investing activities			
Acquisition of subsidiary undertakings	(1,803)	-	(585)
Proceeds from sale of property, plant and equipment	8	4,538	4,588
Purchase of property, plant and equipment	(321)	(1,061)	(1,374)
Development costs capitalised	-	-	(104)
Interest received	62	32	124
Net cash (used in) / from investing activities	(2,054)	3,509	2,649
Cash flows from financing activities			
Dividends paid	(824)	(380)	(579)
Net cash used in financing activities	(824)	(380)	(579)
Net increase/(decrease) in cash and cash equivalents	(3,245)	4,925	6,080
Cash and cash equivalents at beginning of period	11,101	5,009	5,009
Exchange adjustments on cash and cash equivalents	256	48	12
Cash and cash equivalents at end of period	8,112	9,982	11,101

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.

Peter Tett, M.A., M.Sc.

John Bailey

Non-executive

Non-executive (from 08.04.13)

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Registrars

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Overseas representation:

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