



DEWHURST plc
INTERIM REPORT
2016

Dewhurst plc - Interim Results for the 6 months ended 31 March 2016

Directors' Interim Report

FIRST HALF

As we expected and indicated in our statement at the AGM, market conditions were challenging during the first half resulting in sales and profits both lower than last year. Overall, Group revenue decreased 6% to £21.3 million (2015: £22.8 million), with profit before tax decreasing by 24% to £1.7 million (2015: £2.2 million). Adjusted operating profit* of £1.9 million (2015: £2.5 million) is also down 24% on last year and earnings per share dropped to 13.1p (2015: 18.6p). The Group balance sheet remains strong with cash of £14.0 million (2015: £13.0 million).

The first quarter performance was particularly weak. Sales did recover in the second quarter but confidence remains somewhat fragile. In our lift businesses the UK and Australia were generally weaker, while North American sales were up. Keypad sales were well down and there was also a change in the mix of our customers' products. Transport products, however, bounced back from last year's low levels to record an improvement. Currency movements reduced reported Group revenue by approximately £0.4 million in the first six months. The weaker Australian and Canadian Dollars caused the reduction but were partially offset by other currencies.

OUTLOOK

At the moment demand overall seems to be continuing at the level of the second quarter. Looking forward there is a great deal of uncertainty in the political and economic situation and there are outcomes that might have a positive or negative impact on the business. We do know that public sector spending restraints are unlikely to ease any time soon and customers' concerns about pricing are unlikely to diminish; so we are focussed on trying to carefully control our expenditure whilst continuing to push ahead with appropriate investments to improve the business for the longer term.

DIVIDENDS

The Directors have declared an interim dividend of 3.00p (2015: 3.00p) which amounts to £254,000 (2015: £254,000). The interim dividend is payable on 23 August 2016 and will be posted on 18 August 2016 to shareholders appearing in the Register on 8 July 2016 (ex-dividend date being 7 July 2016).

A final 2015 dividend of 10.00p (2014: 6.20p) which amounted to £847,000 (2014: £525,000) 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.

By Order of the Board

J C SINCLAIR

Finance Director & Secretary
6 June 2016

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

Dewhurst plc

The unaudited consolidated statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement of Dewhurst plc and its subsidiaries for the half-year ended 31 March 2016, as compared with the corresponding half-year ended 31 March 2015 and the year ended 30 September 2015, shows the following results:

Consolidated statement of comprehensive income

| | Half year ended 31 March 2016 £000's | Half year ended 31 March 2015 £000's | Year ended 30 September 2015 £000's |
|--|--|--|--|
| Continuing operations | | | |
| Revenue | 21,332 | 22,772 | 45,946 |
| Operating costs | (19,488) | (20,364) | (40,271) |
| Adjusted operating profit* | 1,931 | 2,549 | 5,588 |
| Gain on disposal of property | – | – | 357 |
| Amortisation of acquired intangibles | (87) | (141) | (270) |
| Operating profit | 1,844 | 2,408 | 5,675 |
| Finance income | 62 | 48 | 107 |
| Finance costs | (226) | (232) | (464) |
| Profit before taxation | 1,680 | 2,224 | 5,318 |
| Taxation | Est. (571) | Est. (645) | (851) |
| Profit for the financial period | 1,109 | 1,579 | 4,467 |
| Other comprehensive income: | | | |
| Actuarial gains/(losses) on the defined benefit pension scheme | Est. (1,249) | Est. (122) | (884) |
| Deferred tax effect | 225 | (44) | 177 |
| Total that will not be subsequently reclassified to income statement | (1,024) | (166) | (707) |
| Exchange differences on translation of foreign operations | 1,247 | (256) | (1,282) |
| Deferred tax effect | (224) | 28 | 257 |
| Total that may be subsequently reclassified to income statement | 1,023 | (228) | (1,025) |
| Other comprehensive income/(expense) for the period, net of tax | (1) | (394) | (1,732) |
| Total comprehensive income for the period | 1,108 | 1,185 | 2,735 |
| Profit for the period attributable to: | | | |
| Equity shareholders of the company | 1,079 | 1,565 | 4,406 |
| Non-controlling interests | 30 | 14 | 61 |
| | 1,109 | 1,579 | 4,467 |
| Total comprehensive income for the period attributable to: | | | |
| Equity shareholders of the company | 1,006 | 1,194 | 2,759 |
| Non-controlling interests | 102 | (9) | (24) |
| | 1,108 | 1,185 | 2,735 |
| Basic and diluted earnings per share | 13.09p | 18.63p | 51.99p |
| Dividends per share | 3.00p | 3.00p | 13.00p |

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

Consolidated balance sheet

| | Half year ended 31 March 2016 £000's | Half year ended 31 March 2015 £000's | Year ended 30 September 2015 £000's |
|---|--|--|--|
| Non-current assets | | | |
| Goodwill | 3,096 | 3,016 | 2,695 |
| Other intangibles | 90 | 307 | 171 |
| Property, plant and equipment | 9,139 | 8,458 | 8,581 |
| Deferred tax asset | 2,350 | 2,073 | 2,491 |
| | 14,675 | 13,854 | 13,938 |
| Current assets | | | |
| Inventories | 4,346 | 4,496 | 4,751 |
| Trade and other receivables | 9,515 | 10,087 | 8,056 |
| Current tax assets | – | – | – |
| Cash and cash equivalents | 14,038 | 13,045 | 14,958 |
| | 27,899 | 27,628 | 27,765 |
| Total assets | 42,574 | 41,482 | 41,703 |
| Current liabilities | | | |
| Trade and other payables | 4,196 | 5,085 | 4,502 |
| Current tax liabilities | 443 | 468 | 348 |
| Short-term provisions | 428 | 1,031 | 318 |
| | 5,067 | 6,584 | 5,168 |
| Non-current liabilities | | | |
| Retirement benefit obligation | 12,994 | 11,868 | 12,197 |
| Total liabilities | 18,061 | 18,452 | 17,365 |
| Net assets | 24,513 | 23,030 | 24,338 |
| Equity | | | |
| Share capital | 847 | 847 | 847 |
| Share premium account | 157 | 157 | 157 |
| Capital redemption reserve | 290 | 290 | 290 |
| Translation reserve | 940 | 724 | (11) |
| Retained earnings | 21,729 | 20,464 | 22,521 |
| Total attributable to equity shareholders of the company | 23,963 | 22,482 | 23,804 |
| Non-controlling interests | 550 | 548 | 534 |
| Total equity | 24,513 | 23,030 | 24,338 |

Consolidated statement of changes in equity

For the period ended 31 March 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 2015 | 847 | 157 | 290 | (11) | 22,521 | 534 | 24,338 |
| Profit for the period | – | – | – | – | 1,079 | 30 | 1,109 |
| <u>Other comprehensive income and expense</u> | | | | | | | |
| Exchange differences on translation of foreign operations | – | – | – | 1,175 | – | 72 | 1,247 |
| Actuarial gains/(losses) on defined benefit pension scheme | – | – | – | – | (1,249) | – | (1,249) |
| Deferred tax effect | – | – | – | (224) | 225 | – | 1 |
| Total comprehensive income | – | – | – | 951 | 55 | 102 | 1,108 |
| Shares repaid ¹ | – | – | – | – | – | (86) | (86) |
| Dividends paid | – | – | – | – | (847) | – | (847) |
| At 31 March 2016 | 847 | 157 | 290 | 940 | 21,729 | 550 | 24,513 |

For the period ended 31 March 2015

| | 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 |
| Profit for the period | – | – | – | – | 1,565 | 14 | 1,579 |
| <u>Other comprehensive income and expense</u> | | | | | | | |
| Exchange differences on translation of foreign operations | – | – | – | (233) | – | (23) | (256) |
| Actuarial gains/(losses) on defined benefit pension scheme | – | – | – | – | (122) | – | (122) |
| Deferred tax effect | – | – | – | 28 | (44) | – | (16) |
| Total comprehensive income | – | – | – | (205) | 1,399 | (9) | 1,185 |
| Shares repaid ¹ | – | – | – | – | – | (78) | (78) |
| Dividends paid | – | – | – | – | (525) | – | (525) |
| At 31 March 2015 | 847 | 157 | 290 | 724 | 20,464 | 548 | 23,030 |

¹ This relates to Dual Engraving Pty Ltd repurchasing shares from Michael Cook (held by D.E. Corporate Pty Ltd) in proportion to his 30% non-controlling interest.

Consolidated statement of changes in equity (cont'd)

For the year ended 30 September 2015

| | 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 |
| Profit for the year | – | – | – | – | 4,406 | 61 | 4,467 |
| <u>Other comprehensive income and expense</u> | | | | | | | |
| Exchange differences on translation of foreign operations | – | – | – | (1,197) | – | (85) | (1,282) |
| Actuarial gains/(losses) on defined benefit pension scheme | – | – | – | – | (884) | – | (884) |
| Deferred tax effect | – | – | – | 257 | 177 | – | 434 |
| Total comprehensive income | – | – | – | (940) | 3,699 | (24) | 2,735 |
| Shares repaid ¹ | – | – | – | – | – | (77) | (77) |
| Dividends paid | – | – | – | – | (768) | – | (768) |
| At 30 September 2015 | 847 | 157 | 290 | (11) | 22,521 | 534 | 24,338 |

¹ This relates to Dual Engraving Pty Ltd repurchasing shares from Michael Cook (held by D.E. Corporate Pty Ltd) in proportion to his 30% non-controlling interest.

These half-year abbreviated 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 year ended 30 September 2015 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 2015 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2015 Interim Financial Statements to take into account any presentational changes made in the 2015 Financial Statements or in these Interim Financial Statements.

Consolidated cash flow statement

| | Half year ended 31 March 2016 £000's | Half year ended 31 March 2015 £000's | Year ended 30 September 2015 £000's |
|---|--|--|--|
| Cash flows from operating activities | | | |
| Operating profit | 1,844 | 2,408 | 5,675 |
| Depreciation and amortisation | 418 | 450 | 991 |
| Additional contributions to pension scheme | (662) | (663) | (1,343) |
| Exchange adjustments | 201 | (368) | (251) |
| (Profit)/loss on disposal of property, plant and equipment | (8) | – | (423) |
| | 1,793 | 1,827 | 4,649 |
| (Increase)/decrease in inventories | 405 | 5 | (250) |
| (Increase)/decrease in trade and other receivables | (1,459) | (888) | 1,143 |
| Increase/(decrease) in trade and other payables | (306) | (17) | (896) |
| Increase/(decrease) in provisions | 110 | 72 | (641) |
| Cash generated from operations | 543 | 999 | 4,005 |
| Tax paid | (435) | (136) | (428) |
| Net cash from operating activities | 108 | 863 | 3,577 |
| Cash flows from investing activities | | | |
| Subsidiary share repurchase – non-controlling interest element ¹ | (86) | (78) | (77) |
| Proceeds from sale of property, plant and equipment | 10 | – | 458 |
| Purchase of property, plant and equipment | (622) | (161) | (893) |
| Development costs capitalised | – | – | (61) |
| Interest received | 62 | 48 | 107 |
| Net cash generated from/(used in) investing activities | (636) | (191) | (466) |
| Cash flows from financing activities | | | |
| Dividends paid | (847) | (525) | (768) |
| Net cash used in financing activities | (847) | (525) | (768) |
| Net increase/(decrease) in cash and cash equivalents | (1,375) | 147 | 2,343 |
| Cash and cash equivalents at beginning of period | 14,958 | 12,928 | 12,928 |
| Exchange adjustments on cash and cash equivalents | 455 | (30) | (313) |
| Cash and cash equivalents at end of period | 14,038 | 13,045 | 14,958 |

¹ This relates to Dual Engraving Pty Ltd repurchasing shares from Michael Cook (held by D.E. Corporate Pty Ltd) in proportion to his 30% non-controlling interest.

Board of Directors

Richard Dewhurst, B.A.(Eng. Sc.), A.C.M.A. Chairman

David Dewhurst, B.Sc.(Eng.)

Richard Young, B.Sc., MBA, C.Eng., M.I.E.T.

Jared Sinclair, B.Sc., A.C.A

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

Non-executive

John Bailey

Non-executive

Registered and Head Office

DEWHURST PLC &

DEWHURST UK MANUFACTURING LTD

Unit 9 Hampton Business Park,

Hampton Road West, Feltham TW13 6DB.

Tel: 020 8744 8200 Fax: 020 8744 8299

cosec@dewhurst.co.uk

www.dewhurst.co.uk

Subsidiaries:

THAMES VALLEY CONTROLS LTD

Unit 15, Manor Farm Industrial Estate, Flint, Flintshire,
Wales CH6 5UY.

Tel: 01352 793222

Fax: 01352 793255

info@tvcl.co.uk

www.tvcl.co.uk

TRAFFIC MANAGEMENT PRODUCTS LTD

Unit 4 Nightingale Road,
Horsham

West Sussex, RH12 2NW

Tel: 08456 808066

Fax: 08456 808077

info@tmp.solutions

www.tmp.solutions

DEWHURST (HUNGARY) KFT

H-2038, Soskut, Hrsz 3518/8 Hungary

Tel: 00 362 356 0550

Fax: 00 362 356 0559

DUPAR CONTROLS INC.

1751 Bishop Street, Cambridge, Ontario
Canada N1T 1N5

Tel: 001 519 624 2510

Fax: 001 519 624 2524

info@dupar.com

www.dupar.com

ELEVATOR RESEARCH AND MANUFACTURING CORP.

1417 Elwood Street, Los Angeles
CA 90021, USA

Tel: 001 213 746 1914

Fax: 001 213 749 1355

sales@elevatorresearch.com

www.elevatorresearch.com

Registrars

Capita IRG plc, Northern House, Woodsome Park, Fenay Bridge, Huddersfield,
West Yorkshire HD8 0LA

Overseas representation:

The Group maintains overseas representation in major countries throughout the world

AUSTRALIAN LIFT COMPONENTS PTY LTD

5 Saggartfield Road, Minto

NSW 2566, Australia

Tel: 00 612 9603 0200

Fax: 00 612 9603 2700

info@alc.au.com

www.alc.au.com

LIFT MATERIAL AUSTRALIA PTY LTD

PO Box 7164, Alexandria, Sydney,
NSW 2015, Australia

Tel: 00 612 9310 4288

Fax: 00 612 9698 4990

info@liftmaterial.com

www.liftmaterial.com

DUAL ENGRAVING PTY LTD

104 Howe Street

Osborne Park, Perth

WA 6017, Australia

Tel: 00 61 8 9443 3677

Fax: 00 61 8 9443 3688

info@dualengraving.com.au

www.dualengraving.com.au

DEWHURST (HONG KONG) LTD

Unit 19, 7/F, Block A,

Hoi Luen Industrial Centre,

55 Hoi Yuen Road, Hong Kong

Tel: 00 852 3523 1563

Fax: 00 852 3909 1434

efung@dewhurst.co.uk

www.dewhurst.co.uk