Dewhurst Group plc

Annual report and accounts 2023

DEWHURST GROUP

Enhancing the way that people **live, work** and **move**

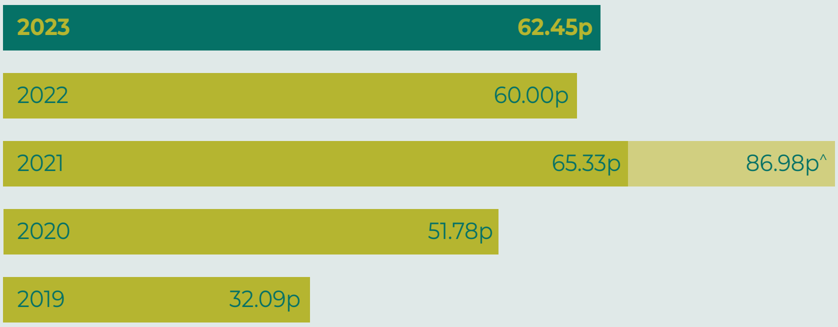
Contents

Financial highlights

£58.0m
Revenue

£7.8m
Operating profit*

62.45p
Earnings per share



15.75p
Dividend per share

* Operating profit before goodwill write down, amortisation of acquired intangibles, gain on property disposal, GMP equalisation
† Total including discontinued operations
^ Total including gain arising on the disposal of old premises at Dupar Controls Inc.

Chairman's statement

The strength of our balance sheet and consistent profitability allows us to invest in broadening our product range and strengthening our intellectual property.

Richard Dewhurst
Non-executive Chairman

13%
improvement in profit before tax

Results

Group sales for the year to 30 September 2023 marginally increased 0.7% to £58.0 million (2022: £57.6 million). Adjusted operating profit is lower but profit before tax has recovered from last year's result, which was affected by cyber attack remediation costs. Adjusted operating profit was £7.8 million (2022: £8.8 million before cyber attack remediation costs) and profit before tax was £8.1 million (2022: £7.2 million). Earnings per share increased 4.1% to 62.45p (2022: 60.00p).

Although reported sales were slightly up overall, the sales performance varied greatly across the divisions and companies. Transport and Highways grew 10% although there were swings within the division in that rail infrastructure work fell back while highways grew strongly. Keypad sales suffered a severe drop due to our main customer carrying out substantial destocking prior to a planned split of the company into two entities. The Lift division improved 4% with stronger sales in the UK and particularly North America, although this was offset by lower sales in Australia. This was the same pattern of change as the previous year. Currency movements had little impact on the reported sales overall. Although there were significant movements in currencies over the year, the average rates on our most used currencies varied by less than 5% with a weaker Australian dollar partially offset by a stronger US dollar.

We are proposing an increase in our final dividend of 0.75p, making a total increase of 1.00p for the year. If approved, this would result in a total dividend for 2023 of 15.75p per share which is 6.8% up on 2022.

Operations and people

The economic conditions over the past year of high levels of inflation and rapidly increasing interest rates have created a less stable and benign financial environment than we have all been used to. Against this volatile backdrop several of our companies have achieved record results and I would like to extend my thanks to our staff in these companies for their excellent contributions, as well as to our colleagues in other businesses who have faced their particular challenges with determination and resolve.

There is no question that the pandemic challenged our ability to maintain the communication and level of engagement with our staff we would have liked. In the aftermath of the pandemic and in common with many companies we saw employee turnover rates increase. John Bailey, in his new role as CEO, has introduced a number of initiatives which should assist us in our goal of growing employee satisfaction and improving retention. Having our staff fully engaged is fundamental to our ability to support our customers in the way we would like and to our overall performance as a business.

The rapid and escalating increases in costs of material and components have abated somewhat during this year. However the expiry of the last of our fixed energy contracts in the UK during the first half meant we have felt the full impact of energy cost escalation over the last twelve months. In addition, wage and salary costs have increased more this year than last to mitigate cost of living increases and to ensure we can recruit and retain the staff the business needs.

Investment

We have expended considerable management resources exploring opportunities to invest for growth this year. In June we announced agreement with Avire to take on their E-motive lift display brand, IP and products. These products will allow us to extend the range of Dewhurst Group branded products we can offer our customers. Our team has worked hard to set up manufacturing of the range; that is now underway and the products are available for our customers to order. The team and our suppliers have done a great job getting everything set up as quickly as possible. Our management and development of these products will be located in Singapore where a new subsidiary has been established.

We have invested more time, energy and funds in IT following 2022's cyber attack. No system is completely impervious, but we have worked hard to increase our resilience to any further attempt to compromise our systems. At the same time we have put additional investment into systems to improve our customer service and our own efficiency. An example of this is our continued development of A&A's E-commerce with the introduction of delivery tracking.

It is encouraging to be able to report the installation of solar panel systems at two more of the Group's properties during the year. More details are set out in the Sustainability report.

Outlook

Group sales have started the year slightly up on last year and in line with our expectations. Lift product demand in all regions currently seems to be holding up reasonably well. On keypads it appears our major customer has completed its de-stocking program and current demand seems a little more stable than the volatile demand last year. Highways and transport products should continue their steady improvement.

We are carefully monitoring cost increases at all companies and are now in a better position to respond more quickly to any increases that occur. Where possible contracts have been adjusted to allow for material cost changes, but there will still be some medium term contracts where prices are fixed.

Our key objective for the immediate future is to capitalise on the opportunities afforded by our acquisition of the E-motive display range. This means we will need to invest in engineering development of the products, in stock and in ensuring the manufacturing process is robust and meets our quality standards.

Our strong balance sheet allows the Group to continue to explore other opportunities to deploy its cash resources.

We are putting people at the very heart of our business

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

Our mission

To enhance the way that people live, work and move

Our vision

To shape the future of our industries and make a meaningful contribution to a more connected and sustainable world

Our values

Integrity

We act with honesty, integrity, and transparency in everything we do.

Quality

We are passionate about quality, and take pride in delighting our customers with quality products, services and solutions.

Curiosity

We empower our people to think outside the box and find the ingenious solution.

Progression

We challenge each other and invest in our people to continuously learn and develop each day.

Sustainability

We are committed to sustainability, to make the world better for future generations.

£58m global sales

338 employees worldwide

12 group trading companies

Sales by region

The Americas	27%
UK, Europe & Middle East	35%
Australia & Asia	38%

Employees by region

The Americas	69
UK & Europe	173
Australia & Asia	96

Group companies by region

The Americas
Dupar Controls Inc.
Elevator Research & Manufacturing Corp.

UK & Europe
Dewhurst Ltd
A&A Electrical Distributors Ltd
Traffic Management Products Ltd
Dewhurst (Hungary) Kft

Australia & Asia
Australian Lift Components Pty Ltd
P&R Liftcars Pty Ltd
Lift Material Australia Pty Ltd
Dual Engraving Pty Ltd
Dewhurst (Hong Kong) Ltd
Dewhurst Singapore Pte Ltd

Our global reach

Chief Executive Officer's review

Our focus on People and maximising operational efficiencies is having a positive impact on our performance. It provides a solid platform on which to grow.

John Bailey
Chief Executive Officer

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 speciality supplier of equipment to lift, transport and keypad sectors. A business review of the Group's operations is dealt with below in operating highlights, in the Chairman's statement and in the Financial review.

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 within the Financial review. The key non-financial performance indicators relevant to the Group are on-time deliveries to our customers and those relating to our sustainability commitments.

Operating highlights

The transition in leadership was well planned and executed and continues to be well supported. The first year has seen significant progress in many of our key objectives.

We have developed our mission, vision and values as well as seeking to engender a positive mindset amongst our global leadership teams as we position the Group for growth.

Conditions in the markets in which we operate have in general have been relatively stable despite the turbulent geopolitical and economic backdrop. However there have been particular challenges in both our Keypads market and our Australian lift interior businesses which have distorted an otherwise positive performance with several business registering record results.

We have focussed heavily this year on People, IT and operational efficiencies as we seek to improve our business resilience and position the Group and our individual businesses for growth. Our first ever companywide staff survey was conducted towards the end of the financial year and the results shared with the leadership teams across all our businesses.

We have identified the key areas for improvement which, along with the results of our survey, will help shape our People strategy.

Although there has been a reduction in the volume and level of cost increases during the latter half of the year, price pressure remains a constant threat. We have worked hard to mitigate the impact through various initiatives including increasing prices more promptly in response to cost increases as and when market conditions allow. The improvement in our operational efficiency has helped reduce our costs whilst enhancing our competitive advantage. We remain committed to our Customer First philosophy and continue to strive to provide the most reliable and efficient service possible to our customers.

We secured the exclusive rights to the E-Motive brand and range of displays and position indicators toward the end of the financial year and the team have worked incredibly hard in setting up our new entity based in Singapore. This is an exciting opportunity for Dewhurst Group and one that will require us to invest further in several areas of the business in order to meet our growth objectives.

Despite the challenges of a geographically diverse Group it has been my pleasure to meet all of our people in person throughout this year and I would like to join the Chairman in thanking them all for their hard work and support during the year.

UNITED KINGDOM

Dewhurst Limited

The fall in sales and profit versus last year is partly attributable to a drop off in demand for keypad and rail products but also the timing of a price increase which pulled forward demand and profit from 2023 into 2022.

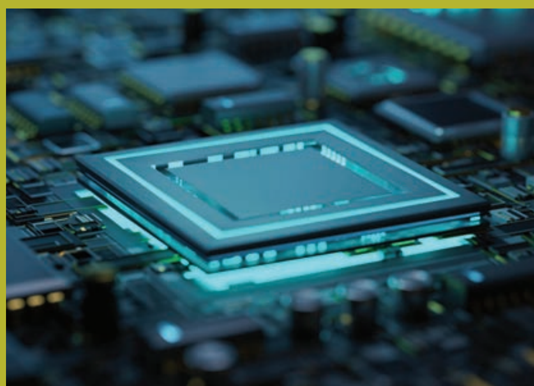
The appointment of Nick George as Operations Director has brought greater focus to our manufacturing processes and procedures, but our commercial resource was stretched in the second half of the financial year as a result of taking on the E-Motive brand. Inevitably this has slowed our progression on operational efficiencies.

We have moved to address this with the appointment of a new Commercial Manager at the start of the new financial year. This appointment has allowed Peter Dewhurst to take on direct responsibility for our Displays business as well as continue in his current role as Commercial Director for Dewhurst.

Despite these challenges lift fixtures performed strongly with some

ENTERING THE LIFT DISPLAY MARKET WITH E-MOTIVE

E-motive products have been consistently redefining the industry since their launch in 1993. Our comprehensive range of products provide the building owner with choice, flexibility and an opportunity to truly differentiate their buildings.



new markets

Chief Executive Officer's review

future
proof

DEVELOPING A WEATHERPROOF PUSHBUTTON

Designed for outdoor use, the Dewhurst weatherproof pushbutton uses innovative proprietary waterproof technology integrated within our compact 3 XR pushbutton body.

prestigious projects being secured which demanded some hugely impressive designs and finishes.

We have continued our commitment to reduce the environmental impact of our manufacturing processes and have been able to increase the proportion of recycled plastic in our mouldings whilst maintaining quality and performance.

The launch of our XR pushbutton range which offers improved resistance to chemical attack has been well received as has the introduction of our new Weatherproof buttons which were launched during the year. Further product launches are planned for 2024.

At the beginning of the financial year Nigel Green our hugely experienced and valued production planning manager sadly passed away. Nigel's untimely passing, a few years short of retirement, was a shock to everyone within the Group.

Traffic Management Products (TMP)

Despite the continued uncertainty around local authority spending, sales showed a significant improvement on the previous year.

Given that there has been very little spending activity since the first phase of the Government's Active Travel Fund trial cycle schemes some two years ago it was pleasing to see all product sectors perform strongly.

Traffic bollards continue to attract strong demand both in the UK and export markets. Signlights, in particular, saw strong growth in the year supported, in part, by our continued focus on sustainability. We have extended the use of bio-polymers on certain product ranges and are seeing more attention being paid to our ESG credentials by main contractors and local authorities.

Good progress has also been made on our operational efficiencies which has helped streamline our manufacturing operation and is facilitating the cross skilling of our production team.

A&A Electrical Distributors (A&A)

Following the successful transition of senior leadership at the beginning of the financial year A&A saw both sales and margin growth.

The latest tranche of continuous improvement initiatives throughout all areas of the business focussed attention on increased efficiency and customer service which in turn has improved profitability.

A&A have continued to progress their sustainability commitments, reducing waste and their overall impact on the environment. A&A achieved ISO14001 accreditation during the year.

Our E-Commerce platform is now being used by many customers as well as our own Internal Sales Engineers (ISE) which is helping to accelerate uptake. Further development has seen the launch of A&A's driver delivery app which automatically maps the most efficient delivery route. The proof of delivery and associated delivery information is immediately uploaded to the Ecommerce platform allowing customers prompt access to the information.

There are further enhancements currently being trialled, which we expect to launch during 2024. The continued investment in technology has supported significant operational efficiency improvements some of which are now being trialled at Lift Material.

As a result of the landline telephone network switch from analogue to digital technology (Voice over Internet Protocol: VoIP), A&A have introduced GSM gateways to their range and have seen strong sales. These products facilitate the transmission of lift emergency call and text messages over the mobile phone network. New product development and range extension remains a key part of A&A's strategy.

EUROPE

Dewhurst Hungary

Following somewhat of a resurgence in the use of cash following the pandemic, sales were significantly impacted by our major customer's

Operational efficiency improvements are delivering improved profitability

TMP'S NEW MANCHESTER BIO BOLLARD

The Manchester Bio is made from bio polymer, is available as an anti-ram or rigid bollard, and is easier to install than traditional cast iron alternatives.

customer first

NEW TRACKING APP
A&A's new app enhances our customers' experience through dynamic delivery routing, order tracking, and proof of delivery functionality.

restructuring of their business into two separately traded entities of digital commerce and ATMs as well as a significant change in their manufacturing locations. As a result we have restructured our business to reflect the reduced demand for ATMs whilst exploring additional manufacturing opportunities.

NORTH AMERICA

Dupar Controls

Despite supply and lead time challenges within our supply chain we have seen further strong sales and profit growth at Dupar resulting in a second consecutive year of record sales and profit.

The move to our new facility a little over 18 months ago provided the opportunity to implement a new layout and new workflows, but is pleasing to see the team continue to drive improvement whilst managing the increased demand.

At the end of the financial year, we took delivery of our latest new machine, an automatic stud welder. The equipment has now been commissioned and the transition from manual stud welding, where possible, is underway.

Recruitment continues to be a challenge at Dupar. This has been somewhat offset by the process efficiency improvements, but remains a key area of focus.

Elevator Research & Manufacturing (ERM)

Our continued focus on process controls, margin improvement and customer engagement at ERM helped to deliver a double-digit sales increase as well as a significant improvement in profitability.

Having sustained our position within our immediate market we are now seeking to expand our success within the wider California market which will be supported by our celebration of ERM's 60th anniversary in 2024.

AUSTRALIA & ASIA

Australian Lift Components (ALC)

Sales grew marginally at ALC although market conditions have remained challenging. The lack of new projects and the continued drive by the major lift companies to procure product through their own factories has reduced our available market.

We have been successful in winning some projects for special material, but we need to improve our market share by the introduction of new products and positive differentiation.

P&R Lift Cars (P&R)

Performance at P&R fell for a second year running fuelled in part by fewer new projects but also as a result of increased competition. As a consequence price pressure has had a significant impact and remains a key challenge.

During the second half of the year we saw positive signs of increasing activity and managed to secure some decent orders. Whilst it is difficult to manage the peaks and troughs it is important that we continue to make improvements in our operational efficiency as we seek to build better resilience and competitive advantage.

Lift Material

A third consecutive year of record sales and profit as a result of strong product sales and service work across all product sectors. We have worked hard on both customer and supplier engagement throughout the year which has provided further opportunities to extend Lift Material's product range as well as increased sales opportunities.

We have made significant improvements in our reduction and reuse of packaging waste and the installation of solar panels on our roof will help offset increased energy costs as well as meeting our sustainability objectives. The focus remains on continuing to improve our operational efficiency to support profitable sales growth.

Dual

We replaced the Managing Director at Dual at the start of the financial year and developed a plan to make the business more sustainable for the long term. Sales, as expected, were lower than last year's record. Profit, although lower than the previous year, exceeded expectation as we undertook the necessary improvements throughout the business.

We successfully recruited into the key roles with the team working incredibly hard throughout the year to meet both customer requirements as well as our improvement objectives. The transformation across all areas of Dual has improved efficiency, safety, accountability and morale. With increased project opportunities secured in recent months we are well positioned to deliver improved profitability as a result.

Dewhurst Hong Kong

Once again, Dewhurst Hong Kong achieved double digit sales and profit growth setting a new record for the year. The easing of travel restrictions during the second half of the year has allowed Feona Lai to visit customers as well as attend the Dewhurst Group forum in October. I have also been able to visit the team in the Hong Kong and thank them for their continued hard work in person.

The success of the business has been built on the sales of our pushbutton range and selected distributed products. The introduction of a new rope gripper is awaiting approval by the relevant authority in Hong Kong and we shall consider the addition of new product ranges without detracting from our focus on our core pushbutton sales.

Dewhurst Singapore

Dewhurst Singapore is the newest addition to Dewhurst Group having secured the exclusive rights to the E-Motive brand with its range of displays and position indicators towards the end of the financial year.

We have worked quickly to set up our new entity based in Singapore. Despite the challenges faced with scaling up new manufacturing and administration facilities we have made good progress. The addition of this new business supports our global growth objectives and our commitment to supplying our customers with innovative quality products.

Financial review

> Continuing the Group's upward trend there has been double digit growth in profit before tax delivered by more than half of our Group subsidiary companies.

Jared Sinclair
Chief Financial Officer

4
subsidiaries delivered record sales and profits

Trading results

The Group continued its upward trend with a modest 0.7% increase in total sales to £58.0 million (2022: £57.6 million). Lift sales overall increased 4% due to strong UK and North America sales for a second year running at A&A and Dupar Controls, along with double digit growth in lift distribution sales at Lift Material and Dewhurst Hong Kong. These increases were offset by a tough year in Australian lift interiors, particularly at P&R who continued to experience construction project delays, outside of their control. It is pleasing to see these projects now starting. Dual who delivered a record year of interior sales in 2022, returned to more normal levels. Transport sales increased 10% through TMP delivering award winning ESG products and great service but unfortunately Keypad demand continues to fluctuate and whilst seeing a 16% increase last year, we reported a 37% decrease in sales in 2023.

With increasing inflation impacting labour costs throughout this year it was pleasing to see the hard work in procurement deliver a 1.8% direct material cost reduction across the Group. Overall operating profit increased 6.2% to £7.8 million (2022: £7.3 million) and profit before taxation increased 12.8% to £8.1 million (2022: £7.2 million).

Overall adjusted operating profit decreased by 12.1% to £7.8 million (2022: £8.8 million before cyber attack remediation costs).

Although a significant proportion of the Group's revenue and profits are generated and held in foreign currency, the foreign exchange retranslation impact on the reporting performance of the Group this year decreased both like-for-like revenue and profit before tax by under 1% (2022: an increase of 2% each).

Strong cash position

The subsidiaries continued to trade throughout 2023 without the need for Group cash support, and paid dividends back to Group totalling £7.9 million. £6.4 million of this cash was generated from operating activities during the year and as a result Group cash is strong. Further details can be seen from the consolidated cash flow statement.

During the year, the Group spent £0.8 million on the purchase of property, plant and equipment and the first of two £0.4 million payments to secure the exclusive rights to the E-Motive brand and all products within the E-Motive range. The second £0.4 million payment will be made in January 2024.

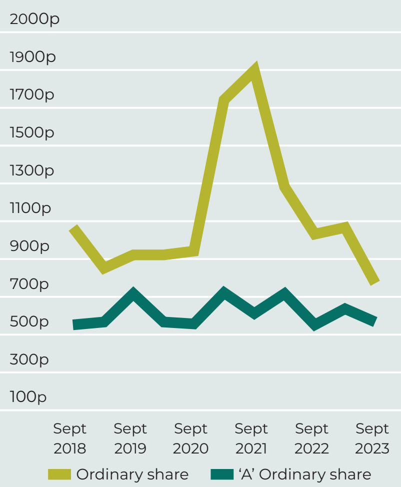
The Group started and ended the year without any bank borrowings. The cash balance at year end was £24.4 million, up £2.6 million from £21.8 million in 2022.

Pension scheme deficit

The Company paid a total of £1.6 million deficit reduction contributions into the pension scheme this year and despite this the scheme deficit still increased by £0.3 million to £2.1 million (2022: £1.8 million).

The main reason for the increase was an underperformance of the pension scheme assets, which was partially offset by the liability discount rate increasing from 5.25%

Shareholders' return



Group five year review

Continuing operations	2019 £(000)	2020 £(000)	2021 £(000)	2022 £(000)	**2023 £(000)**
Revenue	56,446	55,617	56,249	57,565	**57,962**
Adjusted operating profit*	7,700	8,630	9,214	8,818	**7,750**
Profit before taxation	5,244	6,740	9,563	7,169	**8,088**
As a percentage of total equity	12.3%	15.7%	18.1%	11.7%	**13.4%**
Taxation	2,149	2,061	2,110	2,051	**2,966**
Profit after taxation	3,095	4,679	7,453	5,118	**5,122**
Total equity	42,680	42,826	52,731	61,533	**60,317**
ROTIC[1]	12.5%	13.6%	13.4%	11.6%	**10.4%**
EPS^	32.09p	51.78p	86.98p	60.00p	**62.45p**
Dividends per share	13.00p	13.00p	14.00p	14.75p	**15.75p**
On time delivery (%)	90%	91%	90%	86%	**93%**

* Operating profit before goodwill write down, amortisation of acquired intangibles, gain on property disposal, GMP equalisation and cyber attack remediation costs.

[1] ROTIC – Return on Total Invested Capital being Adjusted operating profit*/Total invested capital. Total invested capital is total equity adjusted for net retirement benefit obligations and the associated deferred tax, cumulative amortisation of acquired intangibles and historical depreciation or impairments to goodwill.

^ Earnings per share (EPS) – basic and diluted.

to 5.50% at the year-end and increased mortality rates. Recent increases in mortality rates were initially blamed on Covid-19, but unfortunately these are now being sustained primarily due to other causes. As a result the changes are being reflected in actuarial rates for future expectations of life expectancy.

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.

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 where 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 did not use derivatives during the year in the form of foreign exchange contracts to manage its currency risk, as reported in note 24.

Dividends

The Board is proposing a final dividend of 11.00p (2022: 10.25p). If approved, this would be paid on 26 February 2024 and would result in a total dividend for 2023 of 15.75p per share which is 6.8% up on 2022 and is covered 4.1 times by earnings. The dividend would be paid to members on the register at 19 January 2024 (ex-dividend 18 January 2024). Dividends are accounted for when paid or approved by shareholders, and not when proposed, therefore the proposed final dividend for 2023 has not been accrued at the end of the reporting period.

Following two share repurchases, there was a reduction in the number of allotted shares during the year, and these have been fully reported in the Directors' report on page 25.

Sustainability report

We are focusing our efforts on understanding our position as a Group, setting targets, and embedding sustainability into all our businesses and their operations.

Richard Dewhurst
Non-executive Chairman

73%
of our electricity is consumed from green sources globally

Introduction from the Chairman

Since our baseline year in 2022, we have continued to focus our efforts on understanding our position as a Group, setting targets, and embedding sustainability into all our businesses and their operations.

A key strand of our Group strategy is our People strategy, and as part of this we have reassessed the collective capabilities that bind our people together, and refreshed our mission, vision, and values this year. We hope and believe that this will continue to strengthen our culture and the ethos that underpins the Dewhurst Group.

We have a clear commitment to sustainability as a Group, and have made good progress against our targets in 2023. There is still much more we can do as we carry on down this path, and I am confident that we will continue to make real, positive, sustainable change.

Environment

Strategy

At Dewhurst Group, we are committed to promoting sustainability and managing our impact across all areas of our operations. Our strategy is to minimise our environmental impact by reducing our carbon emissions, to make a meaningful contribution to a more sustainable world.

Carbon emissions

Globally, we have successfully reduced our Scope 1 and Scope 2 emissions by 10% in 2023 vs our 2022 baseline, which is driven by the 14% reduction from our UK operations. This reduction is a direct result of our green energy practices such as driving operational energy efficiencies, green gas and electricity procurement and on-site renewable electricity installations. We have also achieved a 10% decrease in our Group carbon emissions intensity ratio in 2023 compared to 2022, which is pleasing.

As of September 2023, 73% of our company's electricity consumption comes from renewable sources. We have achieved this by increasing our on-site renewable electricity consumption by 200%. We have globally reduced our grid electricity consumption by 19% by installing 207 kWp, 36 kWp and 60 kWp capacity solar panels at our Feltham, UK and Australia sites. Overall, we have successfully reduced our global energy consumption by 4%, and we look forward to continuing to improve that in the coming year.

Two of our New South Wales sites have recently installed solar panels, with 80 kWp and 36 kWp capacity panels at Australian Lift Components and Lift Material Australia respectively. From 2024, we aim to generate 70% of the power used in our Australia sites through solar power, which will help us reduce our global carbon emissions by c.30%.

Our UK-based subsidiaries are making a significant transition towards 100% green energy by the end of 2023 and have shown a decrease of 10% in energy consumption compared to the previous year. We switched to green gas at our Feltham site in August 2023 and will be using green gas at TMP starting from January 2024. Switching all our UK businesses to green electricity and gas will help us

Sustainability strategy

Environment

Minimise our environmental impact by reducing our carbon emissions, to make a meaningful contribution to a more sustainable world.

2023 PERFORMANCE & HIGHLIGHTS

- 10% reduction in carbon emissions
- 10% decrease in carbon emissions intensity ratio
- 4% reduction in energy consumption
- 73% of electricity consumed from green sources
- Comprehensive roadmaps developed at all businesses
- >95% UK waste diverted from landfill
- 9% reduction in non-hazardous waste in the UK
- Improved recycling processes to reuse and repurpose waste materials
- A&A achieved ISO 14001:2015 certification
- Manchester Bio bollard launched by TMP
- TMP awarded Supply Chain Partner award by Bouygues Energies & Services

KEY PRIORITIES

Scope 1 and 2 emissions:

- Switch remaining businesses to green electricity
- Switch UK businesses to green gas
- Install solar panels where viable

Waste and packaging:

- ISO 14001:2015 certification for UK businesses
- Increase diversion of waste from landfill

Supply chain:

- Engage and collaborate with key suppliers

Product:

- Increase our range of sustainable products

TARGETS

- Carbon reduction: **reduce scope 1 and 2 carbon emissions by 50% by 2027 vs 2022**
- Waste diversion from landfill: **>95% by 2024**
- Packaging: **>95% packaging to be recyclable by 2030**

Our people

Create and maintain an environment where people are engaged and feel empowered, motivated, and fulfilled.

2023 PERFORMANCE & HIGHLIGHTS

- 79% employee engagement achieved from Group-wide staff survey
- 65% reduction in health & safety incident rate
- 13% reduction in employee turnover
- 6% increase in female employees
- Raised £10k for the UNICEF Turkey and Syria earthquake appeal

KEY PRIORITIES

- Communicate to & engage with our people on mission, vision, values
- Implement global HR system
- Improve communication across the Group

TARGETS

- Group employee engagement rating: **85%**
- Health & safety incident rate: **eliminate serious incidents**
- Voluntary employee turnover: **below 15%**

LMA'S SOLAR PANELS
36 kWp capacity solar panels installed in September.

4% reduction in energy consumption

make a more than 70% reduction in Scope 1 and Scope 2 carbon emissions going forwards. We have also switched to green electricity in our non-UK businesses, which has led to a 42% reduction in our non-green electricity consumption globally compared to the baseline year of 2022.

We have adopted a proactive approach to monitor and manage our emissions, and we regularly measure and trac k environmental metrics across all sites to identify areas for reduction of carbon emissions. We have also developed comprehensive roadmaps at each business that outline specific actions we will take to minimise our emissions, including investing in new technology, adopting sustainable practices, and sharing these across the Group.

Our global sites have implemented several best practices to promote sustainability and reduce our environmental impact, such as installing solar tinting to conserve energy in Australia. Our operations also prioritise the use of green chemicals, have upgraded to LED lighting, and switched to electric forklifts where feasible. We also optimise equipment usage and use best practices for energy management.

One of our core sustainable objectives is to eliminate carbon emissions, and if this is not practical then to minimise or substitute these. However, sometimes emissions are unavoidable, and we have partnered with Ecologi (a B Corp company) at our UK sites to offset emissions through funding sustainable projects. We aim to become carbon neutral by 2030.

Waste, packaging & water

In 2023 we initiated a strategy to divert over 95% of our waste from landfill, and we achieved this target in the UK. We will expand this strategy out to the whole Group in 2024, and are also implementing reduce, reuse and recycling programs to minimise waste at our sites. In the UK we achieved a 9% reduction in non-hazardous waste and an 82% reduction in hazardous waste per sales compared to 2022.

We are committed to reducing our environmental impact by enhancing our recycling programs. We have implemented better segregation practices at our locations in Australia, to reuse and repurpose waste materials, such as bubble wrap and off-cuts. This not only helps us to save raw materials, but also contributes to the circular economy. We continue to reduce our total waste generation and increase our recycling rate globally.

A&A achieved ISO 14001:2015 certification for environmental management in July 2023. This is a great achievement, and demonstrates that sustainability is an embedded part of A&A's culture and way of working. We will look to implement ISO 14001:2015 across our other Group businesses going forwards.

At Dewhurst Group, we recognise the importance of water conservation and strive to minimise water usage across our operations, such as using recycled water in the production process at TMP.

Supply chain

We collaborate and work closely with our suppliers, however, we need to continue to be curious and involve our suppliers and other stakeholders in the decision-making process, which will allow us to identify potential challenges and opportunities and come up with innovative solutions to overcome them.

TMP was awarded the prestigious Supply Chain Partner award by Bouygues Energies & Services in December 2022, under the category 'Protect our lives & the environment'. It was a well-deserved recognition of TMP's firm commitment towards sustainability.

Products

We give more sustainable and eco-friendly choices to our customers. In 2023 we have continued to expand our bio-polymer range at TMP, launching the Manchester Bio bollard. Our NonCrete bollard, launched in 2022, has 2% of the embedded CO2 that a traditional concrete version does (10.6kg of CO2e vs c.640kg CO2e), with no loss in product performance, and it is quicker and easier to install, cheaper, and weighs less. TMP will expand their innovative bio-polymer range further going forwards, and we will continue to source and use sustainable criteria in our new product development processes across the Group.

Reporting

This year we have expanded our performance reporting to include all Group companies.

10% reduction in carbon emissions

Energy consumption MWh	UK & offshore 2023	UK & offshore 2022	Global (excl. UK & offshore) 2023	Global (excl. UK & offshore) 2022	Group 2023	Group 2022
Heating and transport fuels	**830**	873	**1,202**	1,326	**2,032**	2,199
Used green electricity	**554**	723	**612**	257	**1,166**	980
On-site renewable electricity	**135**	–	**60**	65	**195**	65
Purchased non-green electricity	**35**	137	**393**	608	**428**	745
Total energy consumption	**1,554**	1,733	**2,267**	2,256	**3,821**	3,989

Greenhouse gas emissions tCO2e	UK & offshore 2023	UK & offshore 2022	Global (excl. UK & offshore) 2023	Global (excl. UK & offshore) 2022	Group 2023	Group 2022
Scope 1: Direct emissions from operations						
– Natural gas	**106**	107	**143**	141	**249**	248
– Transport fuels	**62**	75	**137**	140	**199**	215
– Cooling gases	**4**	–	**–**	–	**4**	–
Total Scope 1	**172**	182	**280**	281	**452**	463
Scope 2: Indirect Emission from electricity consumption						
– Market based	**8**	30	**151**	184	**159**	214
Scope 3: Emissions from businesss travel in employee-owned vehicles						
	4	3	**–**	–	**4**	3
Total emissions	**184**	215	**431**	465	**615**	680
Intensity ratio: Total carbon emissions per sales (tCO2e/£m)						
	7.3	8.8	**13.2**	14.0	**10.6**	11.8

The UK's location-based electricity consumption produced 170 tCO2e in 2022 and 128 tCO2e in 2023.

Scope 3 emissions are from fuel used for business purposes within the UK. However, they do not include emissions from other modes of transportation, such as flights and train journeys.

Dewhurst followed the GHG protocol guidance and used the UK Government's GHG conversion factors for SECR reporting.

79%
employee engagement

VOLUNTEER SESSION
The Dewhurst Group team spent World Environment Day helping out with habitat management to support biodiversity in our local area.

Our people

Strategy

At Dewhurst Group we want to create and maintain an environment where people are engaged and feel empowered, motivated, and fulfilled. To support this, we have refreshed our Group mission, vision, and values in 2023 and a key focus for 2024 is on communicating this to and engaging with all our people, to ensure that they understand and buy into the mission, vision, and values.

Engagement

In 2023 we conducted our first global employee survey to measure all our people's satisfaction and engagement, and to give employees the chance to feedback with their thoughts, to help shape our people strategy going forward. Our overall Group engagement rating is 79%.

Half of employees believe leaders will take action based on the results of the staff survey, therefore a key area of focus in the coming year is in ensuring we do all we can to improve employee satisfaction across the group. We will start with the main areas of improvement highlighted in the survey, which are communication, development opportunities, and reward and recognition.

Our senior leaders have already started to put plans in place to make improvements in these areas, such as regular team and company updates to increase transparency and trust. We are aiming for a 20% rise in satisfaction results in these areas in 2024.

Positive results from the survey were also highlighted, with pride in the business, the importance of sustainability, and employee purpose all achieving 99% employee agreement. These positive results align with the company values, and we aim to sustain positivity in these areas.

Another key priority coming out of the employee survey was to implement a global HR system in 2024. This will provide us with a more cohesive and aligned approach and will allow easier sharing of HR information and best practice, supporting our people engagement strategy.

Voluntary employee turnover for 2023 is 13%, down from 15% in 2022 and below our target of 15%. The range across the Group is wide, and we will be concentrating on companies with a high turnover rate, and using survey results, exit interviews and market data to implement improvement plans. We will also analyse Group companies with low turnover rates to discover what drives employees to stay with the company, in order to build our employee satisfaction improvement plan and bring turnover rates into alignment across the Group.

Our team across the globe has come together to make a significant impact in the aftermath of the recent earthquakes in Turkey and Syria. Through voluntary efforts, we have taken a total of 2,738,544 steps in our Marathon Weekender challenge, covering an impressive distance of 1,277 miles. Moreover, we raised £10,000 for the UNICEF Turkey and Syria earthquake appeal in just a single weekend. We are proud to have been able to make such a positive difference in the lives of those affected by these disasters.

Health and safety

In 2023 we have achieved a 65% reduction in the health and safety incident rate, and our target is to eliminate serious incidents.

The incident rate in the UK was improved through training and awareness. Key members of staff were enrolled on a 3-day IOSH training course. The outcome of this training resulted in several health and safety updates including a sitewide noise assessment at our Feltham site and risk assessments undertaken at all UK sites. A Health and Safety committee has been created to discuss near misses, incidents and suggested improvements. The health and safety policy has been updated to reflect improvements.

We hope to continue improving the incident rate across the Group, taking such measures as COSHH governance training and rolling out internal incident reporting systems.

Diversity, equality and inclusion

We remain committed to upholding diversity, including gender, cultural background, and level of competence. We believe that a diverse workforce brings a wealth of perspectives and experiences that can enrich our work environment and enhance our ability to achieve our goals. Therefore, we actively seek to recruit, retain, and promote individuals from a wide range of backgrounds and experiences to help us build a more inclusive and productive workplace.

One woman serves on our board of six, and women run three of our twelve subsidiary businesses. 36% of our employees globally are female, and our aim is to continue to promote women to senior positions across the Group.

Wellbeing

We have been actively engaging with our people to enhance their wellbeing, by promoting awareness of important issues and providing support and access to resources. Our Group newsletter the Pulse contains a regular Headspace feature that has included information on topics such as menopause and anxiety. In doing so, we hope to promote understanding of areas that might affect our people, and help to support them.

We have looked at different working patterns where appropriate, with the 4-day week that was implemented at ALC this year resulting in employees feeling more engaged. TMP will also trial a 4-day week where output, consumption and employee feedback will be monitored for three months to measure its effectiveness.

Mental health

We have continued to roll out mental health training and in 2023 10 people around the Group have undergone mental health first aider training to raise awareness and develop an understanding of mental health. We plan to expand this training out to more employees in 2024.

Employees have access to a 24-hour advice and information line where they can receive counselling, legal information and information on health issues. There is also an app available that can help employees track their mood, access breathing exercises and gain access to CBT. Information about this support is displayed on company noticeboards.

Community

On World Environment Day, multiple Dewhurst Group locations participated in a range of environmental initiatives. These activities included tasks such as litter picking, planting, donating food, supporting local communities, promoting resource conservation and recycling. Our target is to carry out environmental and social initiatives at all sites every quarter.

We continue to regularly engage with our local communities and schools, for example we hosted a Spark Charity insight day at our Feltham site in August, helping to support disadvantaged teenagers with their career aspirations.

SUPPORTING MENTAL HEALTH
Dewhurst Ltd was the proud sponsor of The Lift Industry Mental Health Charter's football tournament in May, to support awareness in our industry.

Training and development

In 2024 we will streamline and enhance our induction process, and all new joiners will receive training on our mission, vision and values, and sustainability. These training sessions will also be mandatory for all existing employees to complete.

We will be updating our performance review strategy across the group in 2024. Training will have a large focus within the strategy and requests will be encouraged, as we would like to see investment in the growth and development of our people in 2024. Managers will be encouraged to have open conversations with their teams on skills and knowledge gaps on a regular basis. We aim to have a culture of internal development to retain company knowledge and reduce external recruitment.

65%
reduction in H&S incident rate

Principal risks and uncertainties

RISK	IMPACT	MITIGATION
Operational		
Change in Leadership. The transition of leadership from David Dewhurst as Group Managing Director to John Bailey as CEO means there is a risk during handover.	Potential reduction in control and increased risk on individual subsidiary's performance.	The transition is well planned and supported. John has visited all subsidiary companies, updated their strategy maps and reviewed their performance and opportunities for Growth. Throughout the year there has been regular communication between John and the MDs plus bi-monthly Management meetings and John is supported by the whole Dewhurst Group Board.
Not seizing growth opportunities.	Inability to grow sales and profits.	The Dewhurst Group board maintains an opportunities register and regularly and proactively reviews new growth and acquisition opportunities. Having reviewed and aligned the mission, vision and values, the securing of the exclusive rights to the E-Motive brand and range of displays from Avire has strengthened the Dewhurst offering to its customers and presents a great growth opportunity.
People. Staff engagement, well-being, recruitment and retention.	Inability to work effectively which impacts sales and profits; staff absence; high staff turnover and difficulty recruiting new staff.	Performed the first independent and anonymous groupwide staff survey and have identified key areas for improvement in order to shape our People Strategy. Reviewing a new Group HR System to help harmonise HR systems and controls. More regular staff briefings ensuring our key objectives as well as our mission, vision and values are clearly communicated and understood.
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 to management is consistent and we introduced a secure data warehouse for Group KPI monitoring.
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, if possible in different regions, and/or hold strategic stocks of particularly time critical key components.
Technological change reducing demand for the Group's mechanical products. Our products are primarily mechanical human machine interfaces. These are subject to significant technological change at present as new electronic 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. The securing of the E-Motive displays and key electrical engineers bridges that gap and enhances our electronic capabilities.
Financial		
Inflationary pressures.	Increased materials and labour costs, reducing margins and profits.	Limit the duration of our quotes to customers or build into quotes, where we can, an inflationary increase mechanism. Continually monitor component cost increases and where sensible take on additional inventory of key components to delay any increase. Look for efficiency savings before looking to pass these increases onto customers.
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 new future accrual on 30 September 2010. Our investment strategy is designed to diversify risk and reduce volatility. A proportion of the liabilities are covered by Liability Driven Investments which more closely match the movements in the values of liabilities.
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.

Section 172(1) Stakeholder compliance statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. They must make decisions in good faith that they believe will most likely promote the success of the Company for the benefit of its members as a whole. In making these decisions the Directors must consider, amongst other things:

- Likely long-term impact of their decisions
- Interests of employees and the need to act fairly between members of the Company
- The reputation of the Company and relationships with customers and suppliers
- The effect on the community and environment in which the Company operates

KEY STAKEHOLDERS	HOW WE ENGAGE
Shareholders	As an AIM listed business, we have a dedicated investor website with all key information and RNS updates. We also communicate regularly with investors particularly after trading updates as well as at the AGM.
Employees	Group senior management have been able to visit all subsidiaries during the year except Hong Kong, which took place in October. In addition, being mindful of our carbon footprint, this has also been supported by more regular video conferences. Within the individual companies there are regular briefing sessions with employees on the performance of the company and key decisions and issues.
Customers	Our customers are at the heart of everything we do. We use email and social platforms to update them about new products and regularly review any feedback we receive to understand how we can improve their experience. Face to face meetings with our customers are now back to normal, unless customers request a remote meeting.
Suppliers	We have personal relationships across our supply chain and update each other through regular meetings and phone calls.

Significant events/decisions 2023

EVENT/DECISION and stakeholders considered	CONSIDERATIONS, ACTIONS & IMPACT
Director role changes Shareholders, potential investors, employees and governments.	• With Richard Dewhurst and David Dewhurst stepping back from day-to-day responsibilities, John Bailey’s development and appointment to CEO of Dewhurst Group on 1st October 2022 was fundamental to ensure the future success of Dewhurst and build further resilience into our businesses. • John Bailey is a strong and strategic leader who brings a fresh and positive perspective to bear on issues of strategy, performance and staff development. His people and customer centric focus combined with his commercial experience make him ideally suited to lead the growth of the business. • John visited all subsidiary companies except Hong Kong (constrained by travel restrictions) early into his tenure, updated their strategy maps and reviewed their performance and opportunities for growth. • John has formal bi-monthly management meetings as well as regular informal communications with each MD.
Growth opportunities Shareholders, potential investors and employees.	• The Board updated its acquisition criteria and maintains an opportunities register. • The Board reviewed and updated its mission, vision and values which was communicated to the group senior leadership team at this year’s Forum and is being communicated out to all staff.

Section 172(1) Stakeholder compliance statement

EVENT/DECISION and stakeholders considered	CONSIDERATIONS, ACTIONS & IMPACT
Sustainability and the environment Shareholders, employees, customers, suppliers and society.	• The Board expanded its reporting of energy consumption and greenhouse gas emissions to include all Group companies. • From Jan 23 all UK electricity has been sourced from 100% carbon neutral sources and by Sep 23, 8 out of 11 global trading subsidiaries are now using 100% carbon neutral electricity. • From Aug 23 our Feltham site switched its gas from natural gas to green 'biomethane' gas which is virtually carbon neutral and by the end of Dec 23 TMP will also have switched. This switch will help further reduce our carbon emissions and global warming. • We have installed 2 further solar panel system totalling 116 kWp capacity at ALC and LMA in Sydney. • We have increased our monitoring of energy and material usage across the group to reduce, reuse or recycle energy or materials throughout the manufacturing businesses delivering positive change; a more detailed report can be found in the Sustainability report.
People Employees, customers and suppliers.	• The Group performed its first ever independent and anonymous companywide survey, which was issued to all staff. • Key areas for improvement have been identified and will shape our People Strategy moving forward, including a review of a global HR system, as well as more regular and formal staff communications.
Margin pressures & inflation Shareholders, potential investors, employees, customers and suppliers.	• With higher levels of inflation and increased interest rates we are continually assessing the effect labour costs, component cost increases and inflation have on our margins. • The Group continues to absorb cost increases where possible and seeks efficiency savings before looking to pass increases on to our customers. • Where possible the duration of our quotes to customers have been time limited or an inflationary increase mechanism is built into the quote.

The information provided in the Chairman's Report, Review of Operations, Strategic Report – Principal Risks and Uncertainties, and the Financial Review all form part of the requirement by CA2006 to be included in a strategic report.

Governance

Corporate governance

The Board of Directors of Dewhurst believe that good corporate governance is a central element of the successful growth and development of the Group. The Board and its Committees play a key role in the Group's governance by providing an independent perspective to the senior management team, and by seeking to ensure that an effective system of internal controls and risk management procedures is in place. Below describes our corporate governance structures and processes which are reviewed regularly and at least annually.

AIM Rule 26 from 28 September 2018 requires companies to report against an adopted corporate governance code. Dewhurst's Board considers that the QCA Corporate Governance Code ("QCA Code") is the most suitable framework for smaller public companies and, consequently, formally adopted the QCA Code. The QCA Code continues to be applied during its financial year ended 30 September 2023.

The Board ensures that the Company adopts proper standards of corporate governance and, where appropriate, the principles of best practice as set out in the QCA Code. Set out on our website (www.dewhurst-group.com) and below is a summary of how the Company is applying the key requirements of the Code.

The Board comprises persons from technical and professional qualified backgrounds ensuring there are the appropriate skills and capabilities to perform their duties. These are maintained through continuing professional development, in-house training and regular courses to ensure they are up-to-date. In addition the Directors commit all the time necessary to fulfil their roles and there are processes in place enabling Directors to take independent advice at the Company's expense in the furtherance of their duties and to have access to the advice and services of the Company Secretary.

The Board considers its Non-executive Directors to be independent in character and judgement; however only Ms S McErlain and Mr C Holroyd are technically independent as defined by the Code.

The full Board met seven times this year and deals with all important aspects of the Group's affairs. During the year all directors were able to attend all executive meetings.

Formal executive Director performance evaluations are conducted annually through appraisals. Each Non-executive Director's performance is evaluated as an outcome of the formal performance evaluations of the Committee(s) of which they are a member.

Annual performance evaluations of both executive Directors and Non-executive Directors (via Committee evaluation) identify and record achievements and areas for improvement in relation to annual objectives and performance of their role, in order to consider effectiveness. Objectives for the forthcoming year are defined along with identification of how achievements will be met, target dates and details of resource constraints or issues to ensure that actions are planned and taken as a result of the evaluation process. These objectives and the performance of the Director are monitored monthly through formal meetings with the Chairman or Chief Executive Officer.

The Committees conduct a self-assessment of their performance during the year, measuring their performance against their Terms of Reference. The Audit committee risks and concerns are reported in the body of the audit report, particularly the audit approach and key audit matters as detailed on pages 57 to 61.

In light of the size of the Board, the Board do not consider it necessary to establish a Nomination committee. All members of the Board participate in the recruitment of members to the Board. The Remuneration committee does not produce a formal report. The Remuneration committee considers Directors' remuneration based on market conditions, Group values and business objectives. We seek to set remuneration that is competitive and motivational whilst consistent with our values. Bonuses for Directors are based on profit and growth in profit and some Directors also have bonuses based on achieving individual personal objectives.

Board of Directors

RICHARD DEWHURST
BA (Eng Sc), ACMA

Non-executive Chairman

Age 67. Joined in 1985. Previously with Ford Motor Co, Ernst & Whinney, Senior Management Consultant.

Committees:
Remuneration (Chair)*

JOHN BAILEY

Chief Executive Officer

Age 53. Joined in 2008. Previously with Brett Landscaping & Building Products, Commercial Director.

DAVID DEWHURST
BSc (Elec Eng)

Director

Age 62. Joined in 1987. Previously with Holmes & Marchant plc.

JARED SINCLAIR
BSc, ACA

Chief Financial Officer and Company Secretary

Age 53. Joined in 1997. Previously with Moores Rowland, Chartered Accountants, Audit Senior.

SUSAN McERLAIN
BSc

Non-executive Director

Age 60. Joined in 2021. Previously with Ultra Electronics Holdings plc, Director of Corporate Affairs.

Committees:
Audit, Remuneration*

CHARLES HOLROYD
BA (Elec Eng), MBA

Non-executive Director

Age 67. Joined in 2021. Previously with Oxford Instruments plc, Director.

Committees:
Audit, Remuneration*

* Audit Committee meets twice per year. Remuneration Committee meets once per year.

Directors' report

Results and dividends

The profit for the year, after taxation, amounted to £5.1 million (2022: £5.1 million).

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 11.00p per share (2022: 10.25p) for the financial year ended 30 September 2023 will be proposed at the Annual General Meeting (AGM) to be held on 20 February 2024. If approved, this dividend will be paid on 26 February 2024 to members on the register at 19 January 2024. The ex-dividend date will be 18 January 2024.

An interim dividend of 4.75p per share (2022: 4.50p) was paid on 15 August 2023.

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 10.25p per share (2021: 9.75p) which amounted to £828k (2021: £788k) for the financial year ended 30 September 2022 was approved at the AGM held on 14 February 2023 and was paid on 22 February 2023 to members on the register at 20 January 2023.

Share repurchases

On 28 July 2023 the Company purchased 30,000 of its own 'A' non-voting ordinary 10p shares for £187,500 which were earnings enhancing. At the time of purchase these shares amounted to 0.4% of the called up share capital of the Company and have been cancelled.

On 30 July 2023 the Company purchased 30,000 of its own 'A' non-voting ordinary 10p shares for £187,500 which were again earnings enhancing. At the time of purchase these shares amounted to 0.4% of the called up share capital of the Company and have been cancelled.

Details of shares purchased have been notified to the London Stock Exchange and to the Registrar of Companies.

Directors

The members of the Board during the year were:

Mr R M Dewhurst (Non-executive Chairman)

Mr D Dewhurst

Mr J Bailey (Chief Executive Officer)

Mr J C Sinclair (Chief Financial Officer)

Ms S McErlain (Non-executive)

Mr C Holroyd (Non-executive)

The Directors retiring by rotation at this year's Annual General Meeting are Ms S McErlain and Mr C Holroyd who, being eligible, offer themselves for re-election. The unexpired period of Ms S McErlain and Mr C Holroyd'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.

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 2023 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 2022.

	30 September 2023		30 September 2022	
	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**	**34,932**	419,595	69,932
Mr J C Sinclair	**1,000**	**–**	1,000	–
Mr J Bailey	**1,000**	**–**	1,000	–
Ms S McErlain	**10**	**2,586**	–	2,586
Mr C Holroyd	**100**	**6,649**	100	6,649

At 30 September 2023 and 30 September 2022 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.

Directors' remunerations

The remuneration of the Directors is shown below:

	Salary and fees £(000)	Bonus £(000)	Benefits in kind £(000)	Pension £(000)	**2023 Total £(000)**	2022 Total £(000)
Continuing operations						
Executive Directors:						
Mr D Dewhurst	80	44	4	–	**128**	225
Mr J Bailey	186	109	3	2	**300**	220
Mr J C Sinclair	127	35	5	14	**181**	179
Non-executive Directors:						
Mr R M Dewhurst	61	44	–	–	**105**	99
Ms S McErlain	30	–	–	–	**30**	30
Mr C Holroyd	30	–	–	–	**30**	30
Mr P Tett (resigned 31 Dec 2021)	–	–	–	–	**–**	5
	514	232	12	16	**774**	788

The calculation of Group Directors' bonuses excludes any benefit from government grants received.

Substantial shareholdings

At 21 November 2023, 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).

Exors of Mrs V E Dewhurst	651,000	Mr I Scott	132,000
Fidelity NorthStar Fund	191,080	ii Services Nominees Ltd (TDWHSIPP acct)	112,687
Mrs B Bruce	190,208	ii Services Nominees Ltd (SMKTNOMS acct)	107,581
Mr J H Ridley	138,500		

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:

JIM Nominees Ltd	665,100	Hargreaves Lansdown Nominees Ltd (15942 acct)	271,180
Exors of Mrs V E Dewhurst	518,000	HSBC Global Custody Nominees (UK) Ltd	193,500
ii Services Nominees Ltd (TDWHSIPP acct)	321,842	Hargreaves Lansdown Nominees Ltd (HLNOM acct)	175,665
Montoya Investments Ltd (IOUAA acct)	287,000	Mr J H Ridley	153,100

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.

Environment, Social and Governance (ESG)

The Company recognises that all of its activities have an environmental, social and governance impact and as such a new more detailed section on sustainability and ESG has been included this year on page 14.

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.

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 and future developments

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 and for the foreseeable future. The strong performance, statement of position as well as robust cash reserves lead the Directors to continue to adopt a going concern basis in preparing the financial statements. Future developments are covered in the Strategic report.

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.

In November 2023 Jeffreys Henry LLP resigned as Auditor as it ceased to be eligible to act in that capacity. The Directors appointed Gravita Audit Limited, a related audit firm to fill the vacancy. A resolution will be proposed at the Annual General Meeting to reappoint Gravita Audit Limited as the Group's Auditor and to authorise the Directors to determine its remuneration.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Financial Reporting Standards ("IFRS"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Jared Sinclair
Secretary

21 December 2023

Consolidated statement of comprehensive income

For the year ended 30 September 2023	Notes	2023 £(000)	2022 £(000)
Continuing operations			
Revenue	2	57,962	57,565
Operating costs	3	(50,212)	(50,269)
Adjusted operating profit*		7,750	8,818
Cyber attack remediation costs+		–	(1,522)
Operating profit		7,750	7,296
Finance income	5	494	64
Finance costs	6	(156)	(191)
Profit before taxation		8,088	7,169
Taxation	7	(2,966)	(2,051)
Profit for the period	8	5,122	5,118
Other comprehensive income:			
Actuarial gains/(losses) on the defined benefit pension scheme	21	(1,896)	1,887
Deferred tax effect		474	(472)
Tax on items taken directly to equity		348	200
Total that will not be subsequently reclassified to income statement		(1,074)	1,615
Exchange differences on translation of foreign operations		(3,544)	3,563
Total that may be subsequently reclassified to income statement		(3,544)	3,563
Other comprehensive income/(expense) for the year, net of tax		(4,618)	5,178
Total comprehensive income for the year		504	10,296
Profit for the year attributable to:			
Equity Shareholders of the Company		5,037	4,849
Non-controlling interests		85	269
		5,122	5,118
Total comprehensive income for the year attributable to:			
Equity Shareholders of the Company		623	9,867
Non-controlling interests		(119)	429
		504	10,296
Basic and diluted earnings per share	9	62.45p	60.00p
Basic and diluted earnings per share – continuing operations	9	62.45p	60.00p

* Operating profit before amortisation of acquired intangibles, profit on sale of property and cyber attack remediation costs

+ Cyber attack remediation is explained further in the FY22 Strategic report

The notes on pages 32 – 53 form part of these financial

Consolidated statement of financial position

At 30 September 2023	Notes	2023 £(000)	2022 £(000)
Non-current assets			
Goodwill	10	**9,516**	10,105
Other intangibles	11	**389**	19
Property, plant and equipment	12	**17,443**	19,147
Right-of-use assets	22	**2,426**	2,473
Deferred tax asset	19	**54**	118
		29,828	31,862
Current assets			
Inventories	14	**8,337**	7,931
Trade and other receivables	15	**10,182**	12,318
Current tax asset		**–**	281
Cash and cash equivalents	16	**24,374**	21,764
		42,893	42,294
Total assets		**72,721**	74,156
Current liabilities			
Trade and other payables	17	**6,899**	7,783
Current tax liabilities		**578**	–
Short-term provisions	18	**158**	344
Lease liabilities	22	**719**	505
		8,354	8,632
Non-current liabilities			
Retirement benefit obligation	21	**2,112**	1,798
Lease liabilities	22	**1,938**	2,193
Total liabilities		**12,404**	12,623
Net assets		**60,317**	61,533
Equity			
Share capital	20	**802**	808
Share premium account		**157**	157
Capital redemption reserve		**335**	329
Translation reserve		**1,725**	5,065
Retained earnings		**55,916**	53,525
Total attributable to equity Shareholders of the Company		**58,935**	59,884
Non-controlling interests		**1,382**	1,649
Total equity		**60,317**	61,533

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2023 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Chief Financial Officer

Company Registration Number: 00160314

The notes on pages 32 – 53 form part of these financial statements

Consolidated statement of changes in equity

For the year ended 30 September 2023	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interests £(000)	Total equity £(000)
At 30 September 2021	808	157	329	1,662	48,213	1,562	52,731
Exchange differences on translation of foreign operations	–	–	–	3,403	–	160	3,563
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	1,887	–	1,887
Deferred tax effect	–	–	–	–	(472)	–	(472)
Tax on items taken directly to equity	–	–	–	–	200	–	200
Dividends paid	–	–	–	–	(1,152)	(342)	(1,494)
Profit for the year	–	–	–	–	4,849	269	5,118
At 30 September 2022	**808**	**157**	**329**	**5,065**	**53,525**	**1,649**	**61,533**
Share repurchase	**(6)**	**–**	**6**	**–**	**(375)**	**–**	**(375)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(3,340)**	**–**	**(204)**	**(3,544)**
Actuarial gains/(losses) on defined benefit pension scheme	**–**	**–**	**–**	**–**	**(1,896)**	**–**	**(1,896)**
Deferred tax effect	**–**	**–**	**–**	**–**	**474**	**–**	**474**
Tax on items taken directly to equity	**–**	**–**	**–**	**–**	**348**	**–**	**348**
Dividends paid	**–**	**–**	**–**	**–**	**(1,197)**	**(148)**	**(1,345)**
Profit for the year	**–**	**–**	**–**	**–**	**5,037**	**85**	**5,122**
At 30 September 2023	**802**	**157**	**335**	**1,725**	**55,916**	**1,382**	**60,317**

The notes on pages 32 – 53 form part of these financial

Consolidated cash flow statement

For the year ended 30 September 2023 Continuing operations	Notes	2023 £(000)	2022 £(000)
Cash flows from operating activities			
Operating profit		**7,750**	7,296
Depreciation, amortisation and impairments		**1,090**	1,050
Right-of-use asset depreciation	22	**605**	509
Contributions to pension scheme, net of administration fee & GMP equalisation costs		**(1,634)**	(1,137)
Exchange adjustments		**(878)**	738
(Profit)/loss on disposal of property, plant and equipment		**(4)**	(13)
		6,929	8,443
(Increase)/decrease in inventories		**(406)**	(1,334)
(Increase)/decrease in trade and other receivables		**2,136**	(2,310)
Increase/(decrease) in trade and other payables		**(884)**	212
Increase/(decrease) in provisions		**(186)**	1
Cash generated from operations		**7,589**	5,012
Interest paid		**(1)**	(1)
Tax paid		**(1,218)**	(1,712)
Interest and tax paid		**(1,219)**	(1,713)
Net cash from operating activities		**6,370**	3,299
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**67**	23
Purchase of property, plant and equipment		**(830)**	(789)
Development costs capitalised		**(384)**	(5)
Interest received		**494**	64
Net cash generated from/(used in) investing activities		**(653)**	(707)
Cash flows from financing activities			
Dividends paid	9	**(1,345)**	(1,494)
Repayment of lease liabilities including interest	22	**(688)**	(584)
Purchase of own shares		**(375)**	–
Net cash used in financing activities		**(2,408)**	(2,078)
Net increase/(decrease) in cash and cash equivalents		**3,309**	514
Cash and cash equivalents at beginning of year	16	**21,764**	20,463
Exchange adjustments on cash and cash equivalents		**(699)**	787
Cash and cash equivalents at end of year	16	**24,374**	21,764

The notes on pages 32 – 53 form part of these financial statements

Notes to the financial statements

Note 1 Accounting policies

Basis of preparation Dewhurst Group Plc prepares its consolidated and Company financial statements on a going concern basis and in accordance with UK-adopted International Financial Reporting Standards (IFRSs). 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.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

Consolidation The consolidated financial statements incorporate the results of Dewhurst Group Plc and all of its subsidiary undertakings made up to 30 September 2023, 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. The Group has analysed its business activities and applied the five-step model prescribed by IFRS 15 to each material line of business, as outlined below:

Sale of products The contract to provide a product is established when the customer places a purchase order. The performance obligation is to provide the product requested by an agreed date, and the transaction price is the value of the product as stated in our order acknowledgement. The performance obligation is typically met when the product is dispatched and so revenue is primarily recognised for each product when dispatching takes place. In some limited situations when the product is complete but the customer is unable to take delivery the performance obligation is met when the customer formally accepts transfer of risk and control even though the product has not been dispatched.

Sale of services The contract to provide a service is established when the customer places a purchase order. The performance obligation is to provide the service requested either by an agreed date if it relates to the servicing of a specific product or over an agreed period if it relates to a constant access or monitoring service. The transaction price is the value of the service as stated in our order acknowledgement. The performance obligation for a specific product service is typically met when the service is performed and so revenue is recognised for each service when the servicing takes place. The performance obligation for a constant access or monitoring service is typically met over a time-based measure and so revenue is recognised for each service on a straight-line basis over the service period.

The Group has no material revenue of a servicing nature. The Group's revenue is from contracts with customers and by sale of products which is further analysed within note 2 - segment reporting.

Customer loyalty rebates The cost of customer loyalty rebates is recognised within sales, with deferred revenue equal to the estimated fair value of the loyalty rebate recognised when the original transaction occurs. On redemption, the value which has been redeemed is released from deferred revenue.

Government grants The Group has received government assistance income in the period as a result of apprenticeships. Government grants are recognised where there is reasonable assurance that the grant will be received and that the group will comply with the conditions attached to them. Government grants that compensate the Group for expenses incurred are recognised in the income statement, as a deduction against the related expense, over the periods necessary to match them with the related costs.

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 statement of financial position at cost and is amortised through the consolidated income statement on a straight-line basis over its estimated economic life 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 of 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:

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

Property (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 in subsidiaries are held as non-current assets and 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 on a product-by-product basis. 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. Usage is either units sold or units used as components in manufacturing.

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 end of the reporting period. 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 within 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 end of the reporting period 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 end of the reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited through other comprehensive income, in which case the deferred tax is also dealt with through other comprehensive income.

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 end of the reporting period. 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 statement of financial positions translated into GB Pounds at the rates of exchange ruling at the end of the reporting period. 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.

Leases The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Group's assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset.

Payments associated with long-term leases with less than 12 months from the date of application, short-term leases or low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mostly comprise of IT equipment and small items of office furniture.

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 statement of financial position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting period 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, whichever is earlier.

FINANCIAL INSTRUMENTS

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 expected credit losses.

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 three months or less.

Derivative financial instruments Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments are recognised as income or expense in the statement of comprehensive income as they arise.

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).

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.

Key accounting judgements

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 2023 fair value calculation to be the 2023 EBITDA multiplied by an externally derived private company price index (PCPI). This calculation is disclosed further in note 10.

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.

Key accounting estimates

Provisions Provisions have been made for obsolete inventory, expected credit losses 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 12, 14, 15 and 18.

Lease term and incremental borrowing rate
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group is also required to determine its incremental borrowing rate (IBR) to measure lease liabilities. Judgement is applied based on a series of inputs including local bank borrowing rates, country-specific base rates and credit risk assessments of the entities involved.

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.

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 2023 £(000)	Revenue 2022 £(000)	Operating profit 2023 £(000)	Operating profit 2022 £(000)
United Kingdom	**20,773**	19,590	**2,586**	1,266
Europe	**2,445**	5,087	**(155)**	356
The Americas	**16,972**	15,854	**2,623**	2,024
Asia & Australia	**21,967**	22,060	**2,681**	3,645
Other	**107**	41	**15**	5
	62,264	62,632	**7,750**	7,296
Inter-company sales	**(4,302)**	(5,067)		
Finance income/(costs)			**338**	(127)
Consolidated revenue/profit before tax for the year	**57,962**	57,565	**8,088**	7,169

	Assets 2023 £(000)	Assets 2022 £(000)	Liabilities 2023 £(000)	Liabilities 2022 £(000)
United Kingdom	**26,824**	24,261	**5,653**	4,830
Europe	**4,340**	5,015	**602**	1,081
The Americas	**18,344**	19,863	**2,411**	2,300
Asia & Australia	**22,878**	24,935	**3,691**	4,400
Other	**335**	82	**47**	12
Consolidated assets/liabilities for the year	**72,721**	74,156	**12,404**	12,623

	Capital additions 2023 £(000)	Capital additions 2022 £(000)	Depreciation and amortisation 2023 £(000)	Depreciation and amortisation 2022 £(000)
United Kingdom	**607**	349	**583**	559
Europe	**44**	74	**59**	76
The Americas	**422**	275	**394**	283
Asia & Australia	**812**	168	**655**	640
Other	**3**	1	**4**	1
Total Group	**1,888**	867	**1,695**	1,559

The secondary segmental reporting is by the following business sectors:

Sector	Revenue 2023 £(000)	Revenue 2022 £(000)
Lift	**54,069**	52,647
Transport	**4,539**	4,144
Keypad	**3,656**	5,841
	62,264	62,632
Inter-company sales	**(4,302)**	(5,067)
	57,962	57,565

	Assets 2023 £(000)	Assets 2022 £(000)	Capital additions 2023 £(000)	Capital additions 2022 £(000)
Lift	**66,477**	65,802	**1,650**	689
Transport	**3,255**	4,109	**196**	126
Keypad	**2,989**	4,245	**42**	52
Total Group	**72,721**	74,156	**1,888**	867

The Group has one major customer who accounts for £2.4 million (2022: £4.5 million) of the keypad revenue which is split across Europe, Asia and the Americas. The qualitative aspects such as the nature, timing and uncertainty of revenue, expenses, assets and liabilities are disclosed within the Strategic report and accounting policies.

Note 3 Operating costs

	2023 £(000)	2022 £(000)
Movement in inventory obsolescence provision	**31**	260
Cost of inventories recognised as an expense	**25,875**	26,427
Staff costs (see note 4)	**17,823**	16,323
Depreciation	**1,079**	1,037
Amortisation	**11**	13
Right-of-use asset depreciation	**605**	509
Foreign exchange differences	**65**	(83)
Cyber attack remediation costs	**–**	1,522
Other operating charges	**4,723**	4,261
Operating costs	**50,212**	50,269

Other operating charges include a gain on sale of property, plant and equipment £4k (2022: gain of £13k) and auditor's remuneration are detailed below. Expenditure on research and development was £360k (2022: £364k).

Auditor's remuneration:

Amounts paid to Jeffreys Henry LLP / Gravita Audit Ltd	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Statutory audit services	**90**	84	**36**	34

Note 4 Staff costs and information regarding employees

Costs during the year were as follows:

	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Wages and salaries	**15,858**	14,573	**1,611**	826
Social security costs	**1,082**	927	**183**	98
Pension costs – Other (see note 21)	**883**	823	**88**	53
	17,823	16,323	**1,882**	977

The average number of employees during the year was:

	The Group 2023 No.	The Group 2022 No.	The Company 2023 No.	The Company 2022 No.
Office and management	**134**	136	**21**	10
Manufacturing	**204**	205	**–**	–
	338	341	**21**	10

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:

	2023 £(000)	2022 £(000)
Emoluments - Executive Directors	**593**	607
Emoluments - Non-executive Directors	**165**	164
	758	771

Two Directors also received pension payments into their defined contribution schemes totalling £16k (2022: £17k).

The emoluments of the Directors are reported on page 26 of the Directors' report and the remuneration of the highest paid Director during the year was £300k (2022: £225k). The highest paid Director, under the defined benefit scheme has accrued pension of £nil (2022: £166k) and a transfer value of £nil (2022: £1,986k).

Note 5 Finance income

	2023 £(000)	2022 £(000)
Bank deposit interest	**494**	64

Note 6 Finance costs

	2023 £(000)	2022 £(000)
Interest payable on bank overdraft and loans	**(1)**	(1)
Interest payable on lease liabilities	**(103)**	(105)
Net costs on defined benefit pension scheme (note 21)	**(52)**	(85)
	(156)	(191)

Note 7 Taxation

Current tax	2023 £(000)	2022 £(000)
UK corporation tax at 22.0% (2022: 19.0%)	**740**	245
Adjustment on prior years tax	**345**	(59)
Overseas taxation	**1,341**	1,364
	2,426	1,550
Deferred tax		
Origination and reversal of temporary differences	**540**	501
Tax expense in the income statement	**2,966**	2,051

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

	2023 £(000)	2022 £(000)
Profit before tax	**8,088**	7,169
Standard rate of corporation tax in the UK	**22.0%**	19.0%
Effects of:		
Adjustments in respect of prior years	**4.3%**	(0.5%)
Different rate of tax on overseas earnings	**3.6%**	6.1%
Overseas withholding tax	**1.1%**	–
Additional reduction for R&D expenditure	**–**	(0.9%)
Expenses not deductible for tax purposes	**0.7%**	0.7%
Other permanent differences	**0.1%**	(0.1%)
Tax charged to other comprehensive income	**5.0%**	2.8%
Movement in deferred tax rates	**(0.1%)**	(1.1%)
Deferred tax not recognised	**–**	2.6%
Effective tax rate for the year	**36.7%**	28.6%

Notes to the financial statements

Note 8 Profit for the financial year

The parent company made a profit after tax for the financial year of £7,421k (2022: £2,407k), 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	2023 No.	2022 No.
For basic and diluted earnings per share	**8,065,945**	8,081,398

The calculation of basic and diluted earnings per share is based on the profit for the financial year of £5,036,780 and on 8,065,945 Ordinary 10p and 'A' non-voting ordinary 10p shares, being the weighted average number of shares in issue throughout the financial year. There are no share options issued.

Paid dividends per 10p Ordinary share	2023 £(000)	2022 £(000)
2022 final paid of 10.25p (2021: 9.75p)	**(828)**	(788)
2023 interim paid of 4.75p (2022: 4.50p)	**(369)**	(364)
Dividends paid – The Company	**(1,197)**	(1,152)
Dividends paid to non-controlling interests – Dual Engraving Pty Ltd & P&R Liftcars Pty Ltd	**(148)**	(342)
Dividends paid – The Group	**(1,345)**	(1,494)

The final proposed dividend is based on 3,309,200 Ordinary 10p shares and 4,712,198 'A' non-voting ordinary 10p shares, being the latest number of shares in issue. The Directors are proposing a final dividend of 11.00p (2022: 10.25p) per share, totalling £882k (2022: £828k). This dividend has not been accrued at the end of the reporting period.

Note 10 Goodwill

	2023 £(000)	The Group 2022 £(000)
Cost or valuation:		
At 1 October	**17,244**	16,290
Exchange adjustment	**(961)**	954
At 30 September	**16,283**	17,244
Impairment:		
At 1 October	**7,139**	6,664
Exchange adjustment	**(372)**	475
At 30 September	**6,767**	7,139
Net book value:		
At 30 September 2023	**9,516**	10,105
At 30 September 2022	10,105	9,626

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

The remaining goodwill relates to five CGUs, four in Australia, Australian Lift Components Pty Ltd acquired in February 2000 - £1,079k (2022: £1,234k), Lift Material Australia Pty Ltd acquired in July 2005 - £769k (2022: £879k), Dual Engraving Pty Ltd acquired in February 2013 - £1,199k (2022: £1,372k), P&R Liftcars Pty Ltd acquired in January 2017 - £1,049k (2022: £1,200k) and one in the UK, A&A Electrical Distributors Ltd acquired in June 2018 - £5,420k (2022: £5,420k).

Goodwill values have been tested for impairment by comparing them against the fair value of the relevant CGUs. The fair value calculations for 2023 are based on 2023 EBITDA profits multiplied by an externally derived private company price index (PCPI). The goodwill impairment charge that arose during the current year is nil (2022: nil) and the calculations indicate sufficient headroom such that a 15% change to key assumptions would not result in an impairment of the related goodwill.

Note 11 Other intangibles

	2023 Acquired intangibles £(000)	2023 Other £(000)	2023 Total £(000)	2022 Acquired intangibles £(000)	2022 Other £(000)	The Group 2022 Total £(000)
Cost or valuation:						
At 1 October	**5,957**	**651**	**6,608**	5,859	637	6,496
Exchange adjustment	**(120)**	**(11)**	**(131)**	98	9	107
Additions	**–**	**384**	**384**	–	5	5
Disposals	**–**	**(1)**	**(1)**	–	–	–
At 30 September	**5,837**	**1,023**	**6,860**	5,957	651	6,608
Amortisation:						
At 1 October	**5,957**	**632**	**6,589**	5,859	613	6,472
Exchange adjustment	**(120)**	**(9)**	**(129)**	98	6	104
Charge for the year	**–**	**11**	**11**	–	13	13
At 30 September	**5,837**	**634**	**6,471**	5,957	632	6,589
Net book value:						
At 30 September 2023	**–**	**389**	**389**	–	19	19
At 30 September 2022	–	19	19	–	24	24

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

Capital commitments contracted by the Group at 30 September 2023 for intangibles amounted to £375k (2022: £nil) and by the Company is £375k (2022: £nil).

Note 12 Property, plant and equipment

			The Group			The
	Property	Plant and equipment	Total	Property	Plant and equipment	Total
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Cost or valuation:						
At 30 September 2021	16,700	10,478	27,178	6,171	185	6,356
Exchange adjustment	1,457	731	2,188	–	–	–
Additions	37	752	789	117	–	117
Disposals	–	(131)	(131)	–	–	–
At 30 September 2022	**18,194**	**11,830**	**30,024**	**6,288**	**185**	**6,473**
Exchange adjustment	**(1,292)**	**(686)**	**(1,978)**	**–**	**–**	**–**
Additions	**174**	**656**	**830**	**42**	**3**	**45**
Disposals	**–**	**(347)**	**(347)**	**–**	**–**	**–**
At 30 September 2023	**17,076**	**11,453**	**28,529**	**6,330**	**188**	**6,518**
Depreciation:						
At 30 September 2021	1,973	7,378	9,351	1,194	116	1,310
Exchange adjustment	100	509	609	–	–	–
Depreciation charge for the year	230	807	1,037	73	21	94
Disposals	–	(120)	(120)	–	–	–
At 30 September 2022	**2,303**	**8,574**	**10,877**	**1,267**	**137**	**1,404**
Exchange adjustment	**(119)**	**(467)**	**(586)**	**–**	**–**	**–**
Depreciation charge for the year	**228**	**851**	**1,079**	**75**	**18**	**93**
Disposals	**–**	**(284)**	**(284)**	**–**	**–**	**–**
At 30 September 2023	**2,412**	**8,674**	**11,086**	**1,342**	**155**	**1,497**
Net book value:						
At 30 September 2023	**14,664**	**2,779**	**17,443**	**4,988**	**33**	**5,021**
At 30 September 2022	15,891	3,256	19,147	5,021	48	5,069
At 1 October 2021	14,727	3,100	17,827	4,977	69	5,046

Capital commitments contracted by the Group at 30 September 2023 for property, plant and equipment amounted to £59k (2022: £173k) and by the Company is £nil (2022: £39k).

Notes to the financial statements

Note 13 Investments – shares in subsidiary undertakings

The Company Investments (Ordinary shares) are:	2023 £(000)	2022 £(000)
Cost	**22,354**	22,354
Provision for impairment	**(7,002)**	(7,002)
	15,352	15,352

Investments in subsidiary undertakings are:	2023 £(000)	2022 £(000)
Cost (after provision for impairment):		
Dewhurst Ltd	**–**	–
A&A Electrical Distributors Ltd	**10,886**	10,886
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
P&R Liftcars Pty Ltd	**933**	933
Lift Material Australia Pty Ltd	**85**	85
Dual Engraving Pty Ltd	**1,445**	1,445
Dewhurst Australian Property Pty Ltd	**97**	97
Dewhurst (Hong Kong) Ltd	**1**	1
Dewhurst Singapore Pte Ltd (created 21 Jun 2023)	**–**	–
	15,352	15,352

The Company has twelve wholly-owned trading subsidiaries, Dewhurst Ltd, A&A Electrical Distributors 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, Dewhurst (Hong Kong) Ltd registered and principally operating in Hong Kong and Dewhurst Singapore Pte Ltd registered and principally operating in Singapore. Dual Engraving Pty Ltd and P&R Liftcars Pty Ltd which principally operate in Australia are not wholly owned but instead are owned 70% and 75% respectively. All companies have similar principal activities to Dewhurst Group 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 and Lift Material Australia Pty Ltd properties.

In addition to the trading companies above the following dormant companies are also subsidiaries of the Group - Dewhurst & Partner Ltd, Dewhurst Hounslow Property Ltd, LiftStore Ltd, TMP Solutions Ltd & Dewhurst UK Ltd.

Note 14 Inventories

	The Group 2023 £(000)	2022 £(000)	The Company 2023 £(000)	2022 £(000)
Raw materials and components	**2,119**	2,191	**–**	–
Work-in-progress	**1,018**	793	**–**	–
Finished goods and goods for re-sale	**5,200**	4,947	**–**	–
	8,337	7,931	**–**	–

Inventory above is shown net after an obsolete impairment provision of £1,628k (2022: £1,597k). There is no material difference between the replacement cost of inventories and the amounts stated above.

Note 15 Trade and other receivables

	The Group 2023 £(000)	2022 £(000)	The Company 2023 £(000)	2022 £(000)
Trade receivables	**9,530**	11,839	**1**	25
Amounts due from subsidiary undertakings (note 23)	**–**	–	**592**	8
Other receivables	**72**	–	**21**	78
Prepayments and accrued income	**580**	479	**37**	21
	10,182	12,318	**651**	132

Trade receivables which relate solely to contracts with customers are shown net of provision for impairment. The movements in the provision for impairment of trade receivables were as follows:

	The Group 2023 £(000)	2022 £(000)	The Company 2023 £(000)	2022 £(000)
At 1 October	**267**	349	**–**	–
Charge for the year	**(62)**	(83)	**–**	–
Foreign exchange	**(16)**	22	**–**	–
Costs recovered/(incurred)	**9**	(21)	**–**	–
At 30 September	**198**	267	**–**	–

At the end of the reporting period 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 2023	**9,530**	**7,814**	**1,485**	**267**	**(36)**
As at 30 September 2022	11,839	8,907	1,850	613	469

These receivables are of good credit quality.

Notes to the financial statements

Note 16 Cash and cash equivalents

	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Cash	**10,374**	11,264	**1,497**	652
Short-term deposits	**14,000**	10,500	**14,000**	10,500
	24,374	21,764	**15,497**	11,152

Note 17 Trade and other payables

	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Trade payables	**1,897**	2,207	**35**	95
Other taxes and social security costs	**752**	784	**39**	33
Other payables	**193**	233	**18**	27
Accruals and deferred income	**4,057**	4,559	**548**	379
	6,899	7,783	**640**	534

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Note 18 Short-term provisions

	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Warranty provisions	**158**	344	**–**	–

Warranties, which relate to product or service defects identified within 12 months of invoice, 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 £(142k) (2022: £27k). Amounts utilised by the Group in the year were £26k (2022: £25k). There were no amounts charged or utilised this year or last year by the Company.

Note 19 Deferred taxation

Deferred tax asset:	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
At 1 October	**118**	1,111	**252**	1,184
Transfer directly (to)/from other comprehensive income	**474**	(472)	**474**	(472)
Foreign exchange on deferred tax	**2**	(20)	**–**	–
Transfer (to)/from income statement	**(540)**	(501)	**(443)**	(460)
At 30 September	**54**	118	**283**	252

Deferred tax at 30 September relates to the following:	The Group 2023 £(000)	The Group 2022 £(000)	The Company 2023 £(000)	The Company 2022 £(000)
Defined benefit pension scheme	**528**	450	**528**	450
Provisions	**(474)**	(332)	**(245)**	(198)
Deferred tax asset	**54**	118	**283**	252

Note 20 Share capital

Authorised:		2023 £(000)	2022 £(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:		2023 £(000)	2022 £(000)
Shares of 10p each	– 3,309,200 (2022: 3,309,200) Ordinary	**331**	331
	– 4,712,198 (2022: 4,772,198) 'A' non-voting ordinary	**471**	477
		802	808

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 share premium reserve arose when shares were issued and sold at above the par value, 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 £883k (2022: £823k). All, apart from £20k (2022: £25k) of defined benefit pension protection fund levy fees relates to defined contribution schemes. The active UK, Hungarian, Canadian, USA, Australian and Hong Kong schemes are of the defined contribution type and the cost to the Group amounted to £863k (2022: £799k). There was an accrued charge of £13k at the end of the reporting period in respect of the defined benefit scheme (2022: £18k). 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 £1,638k into the defined benefit scheme (2022: £1,170k) and the contributions for next year will be £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.

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 2021. It has been assumed that future investment yields would be at 3.3% per annum (pre-retirement) and 1.8% (post-retirement).

At the date of the latest actuarial valuation of the UK scheme, the market value of the assets of the scheme were £47.8 million (2018: £37.4 million) and the funding level on the on-going valuation basis was 90% (2018: 78%). The 2021 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 13 years and payments from the scheme assets are made on a monthly basis.

Assumptions

The following actuarial assumptions, updated to 30 September 2023 by the scheme actuary and taking account of Covid-19, have been used in preparing the disclosures required under IAS 19:

		2023	2022
Retail price index expected to rise by		**3.35%**	3.65%
Pensionable salaries will increase by		**n/a**	n/a
Deferred pensions and pensions in payment will increase by		**3.35%**	3.65%
Liabilities discounted at a rate of		**5.50%**	5.25%
Expected return on pension scheme assets		**5.50%**	5.25%
Expected lifetime for a member retiring at the accounting date	– for males	**21.9 yrs**	22.4 yrs
	– for females	**24.4 yrs**	24.9 yrs
Future expected lifetime for a member retiring in 20 years’ time	– for males	**23.1 yrs**	23.7 yrs
	– for females	**25.8 yrs**	26.3 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 0.5%	Decrease/increase by 5.9%
Rate of inflation (RPI)	Increase/decrease by 0.5%	Increase/decrease by 2.7%
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by 2.8%

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

	Fair value at 30 Sept 2023 £(000)	Fair value at 30 Sept 2022 £(000)	Fair value at 30 Sept 2021 £(000)
Equities	**21,615**	21,819	38,246
Bonds	**7,117**	9,732	9,247
Other	**2,664**	1,839	1,335
Total fair value of scheme assets	**31,396**	33,390	48,828
Present value of scheme liabilities	**(33,508)**	(35,188)	(53,565)
Scheme deficit	**(2,112)**	(1,798)	(4,737)
Related deferred tax asset	**528**	450	1,184
Net pension liability	**(1,584)**	(1,348)	(3,553)

Amounts charged to other finance costs:

	2023 £(000)	2022 £(000)	2021 £(000)
Interest on pension scheme assets	**1,758**	1,002	730
Interest on pension scheme liabilities	**(1,810)**	(1,087)	(900)
Net benefit/(cost)	**(52)**	(85)	(170)

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

	2023 £(000)	2022 £(000)	2021 £(000)
Experience gains and losses arising on the scheme assets	**(3,958)**	(16,506)	2,588
Experience gains and losses arising on the scheme liabilities	**(261)**	(336)	54
Changes in assumptions underlying the present value of the scheme liabilities	**2,323**	18,729	2,702
Actuarial gains/(losses) recognised in SOCI	**(1,896)**	1,887	5,344

History of experience gains and losses:

	2023 £(000)	2022 £(000)	2021 £(000)
Experience gains and losses arising on the scheme assets	**(3,958)**	(16,506)	2,588
Percentage of scheme assets	**(12.6%)**	(49.4%)	5.3%
Experience gains and losses on scheme liabilities	**(261)**	(336)	54
Percentage of the present value of scheme liabilities	**0.8%**	1.0%	(0.1%)
Total amount recognised in SOCI	**(1,896)**	1,887	5,344
Percentage of the present value of scheme liabilities	**5.7%**	(5.4%)	(10.0%)

Note 21 Retirement benefit obligation continued

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

	2023 Assets £(000)	2023 Liabilities £(000)	2023 Total £(000)	2022 Total £(000)	2021 Total £(000)
Deficit in scheme at 1 October	33,390	(35,188)	(1,798)	(4,737)	(11,268)
Movement in the year:					
Benefits paid	(1,428)	1,428	–	–	–
Contributions	1,638	–	1,638	1,170	1,404
Administration charge	(4)	–	(4)	(33)	(28)
Current Service Costs (GMP equalisation)	–	–	–	–	(19)
Other finance costs	1,758	(1,810)	(52)	(85)	(170)
Actuarial gains/(losses)	(3,958)	2,062	(1,896)	1,887	5,344
Deficit in scheme at 30 September	31,396	(33,508)	(2,112)	(1,798)	(4,737)

Included in retained earnings is £12,933k (2022: £11,037k) being the cumulative actuarial losses on the defined benefit pension scheme.

Note 22 Right-of-use assets and lease liabilities

Right-of-use assets	Property £(000)	Plant and equipment £(000)	2023 Total £(000)	Property £(000)	Plant and equipment £(000)	2022 Total £(000)
Cost or valuation:						
At 30 September 2022	3,718	118	3,836	3,566	65	3,631
Exchange adjustment	(190)	–	(190)	154	–	154
Additions	633	41	674	5	68	73
Disposals	–	(31)	(31)	(7)	(15)	(22)
At 30 September 2023	4,161	128	4,289	3,718	118	3,836
Depreciation:						
At 30 September 2022	1,310	53	1,363	796	33	829
Exchange adjustment	(76)	–	(76)	47	–	47
Charge for the year	572	33	605	474	35	509
Disposals	–	(29)	(29)	(7)	(15)	(22)
At 30 September 2023	1,806	57	1,863	1,310	53	1,363
Net book value:						
At 30 September 2023	2,355	71	2,426	2,408	65	2,473
At 30 September 2022	2,408	65	2,473	2,770	32	2,802

Lease liabilities	2023 £(000)	2022 £(000)
Cost or valuation:		
At 30 September 2022	**2,698**	2,987
Exchange adjustment	**(127)**	116
Additions	**674**	74
Interest	**103**	105
Repayments	**(688)**	(584)
Disposals	**(3)**	–
At 30 September 2023	**2,657**	2,698
Of which:		
Current lease liabilities	**719**	505
Non-current lease liabilities	**1,938**	2,193
	2,657	2,698

Of the non-current lease liabilities £1,938k falls due in the next 2 to 5 years (2022: £1,983k) and £nil after 5 years (2022: £210k). Other operating charges include short-term leases paid and expensed on a straight-line basis of £109k (2022: £205k).

Note 23 Related parties

The controlling party of the Group is Dewhurst Group 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 and repayable on demand.

Company related party transactions	2023 £(000)	2022 £(000)
Management charges to subsidiaries	**1,876**	1,354
Rent charges to subsidiaries	**150**	150
Interest income received	**11**	8
Expected credit gains/(losses) charged to income statement	**400**	100
Dividend income received	**7,910**	4,258
Dividends paid to Directors	**166**	159
Loans and trade receivables due	**592**	408

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 13. 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. Credit risk also extends to the banks utilised by the Group. The majority of cash deposits were held by the RBS NatWest bank £4.3 million (2022: £3.9 million) and the Santander bank £14.1 million (2022: £10.8 million) at the year end and these banks' credit ratings (long term) with Standard & Poor were A & A respectively.

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 safeguarding the assets of the Group.

Foreign exchange risk

The Group is exposed to foreign exchange risk both on a transactional and translational basis. The Group looks to mitigate transactional foreign exchange risk by trying to balance its trade in foreign currencies and only hold sufficient currencies to meet its future needs.

The sensitivities regarding the foreign exchange rate translation however are set out below:

Metric	Change in GB Pounds	Translational Impact
Group Revenue	Weaken/strengthen by 10%	Increase/decrease by 5.8%
Group Profit	Weaken/strengthen by 10%	Increase/decrease by 5.7%
Group Net Assets	Weaken/strengthen by 10%	Increase/decrease by 4.7%

The Group did not use forward contract derivatives to manage credit risk during the year.

Liquidity risk

At the end of the reporting period the ageing analysis of financial liabilities, with normal terms for trade payables being 30 days net monthly, was as follows:

	Total £(000)	Within one year £(000)	Within one to two years £(000)	Over two years £(000)
As at 30 September 2023	**6,147**	**5,764**	**–**	**383**
As at 30 September 2022	6,853	6,465	–	388

Currency and interest rate exposure of financial assets and liabilities

The cash and cash equivalent amount of £24,374k (2022: £21,764k) is made up of cash of £10,374k (2022: £11,264k) and short-term deposits of £14,000k (2022: £10,500k). The cash was invested at overnight rates based on the relevant national LIBOR. Of the cash, £16,828k (2022: £14,475k) is denominated in GB Pounds with the balance of £7,546k (2022: £7,289k) held in foreign currencies. Other financial assets and liabilities do not attract interest.

				The Group				The Company
Currency and interest profile	Floating rate assets £(000)	Fixed rate assets £(000)	Interest free assets £(000)	Interest free liabilities £(000)	Floating rate) assets £(000)	Fixed rate assets £(000)	Interest free assets £(000)	Interest free liabilities £(000)
GB Pounds	3,975	10,500	4,400	1,033	526	10,500	25	95
AUS Dollars	4,445	–	2,987	397	126	–	–	–
US Dollars	1,360	–	1,582	322	–	–	–	–
CAN Dollars	1,193	–	2,624	132	–	–	–	–
Other	291	–	246	323	–	–	–	–
At 30 September 2022	11,264	10,500	11,839	2,207	652	10,500	25	95
GB Pounds	**2,828**	**14,000**	**4,053**	**958**	**101**	**14,000**	**1**	**35**
AUS Dollars	**4,525**	**–**	**2,401**	**371**	**1,298**	**–**	**–**	**–**
US Dollars	**907**	**–**	**780**	**114**	**–**	**–**	**–**	**–**
CAN Dollars	**1,533**	**–**	**2,153**	**75**	**–**	**–**	**–**	**–**
Other	**581**	**–**	**143**	**379**	**98**	**–**	**–**	**–**
At 30 September 2023	**10,374**	**14,000**	**9,530**	**1,897**	**1,497**	**14,000**	**1**	**35**

The only operations that hold material monetary assets and liabilities in currencies other than their functional currency are Dewhurst Group plc, A&A Electrical Distributors Ltd and Dewhurst (Hungary) Kft Ltd. Dewhurst Group plc holds cash in AUS Dollars with a balance of £1,298k (2022: £126k), A&A Electrical holds trade payables denominated in Euros with a balance of £323k (2022: £157k) and Dewhurst (Hungary) Kft holds trade receivables denominated in US Dollars with a balance of £101k (2022: £626k).

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.

Borrowings - bank lines of credit

The Group through Dupar Controls Inc continues with one line of credit following its built of its new premises in Canada. There is a £1.7 million (C$2.5 million) operating line of credit bearing interest at Canadian prime plus 0.5% and at the year end the amount borrowed was nil (2022: nil). This credit facility is secured by a general security agreement. Dupar Controls also signed a £0.1 million (C$0.2 million) letter of credit with the City of Cambridge, Ontario, on which the City can draw from in the case of any unpaid development costs. This loan bears interest at Canadian prime plus 2.0%, is secured by Dupar's commercial property and at the year end the balance on this loan was nil (2022: nil).

Company statement of changes in equity

For the year ended 30 September 2023	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Retained earnings £(000)	Total equity £(000)
At 30 September 2021	808	157	329	25,661	26,955
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	1,887	1,887
Deferred tax effect	–	–	–	(472)	(472)
Dividends paid	–	–	–	(1,152)	(1,152)
Profit for the year	–	–	–	2,407	2,407
At 30 September 2022	**808**	**157**	**329**	**28,331**	**29,625**
Share repurchase	**(6)**	**–**	**6**	**(375)**	**(375)**
Actuarial gains/(losses) on defined benefit pension scheme	**–**	**–**	**–**	**(1,896)**	**(1,896)**
Deferred tax effect	**–**	**–**	**–**	**474**	**474**
Dividends paid	**–**	**–**	**–**	**(1,197)**	**(1,197)**
Profit for the year	**–**	**–**	**–**	**7,421**	**7,421**
At 30 September 2023	**802**	**157**	**335**	**32,758**	**34,052**

The notes on pages 32 – 53 form part of these financial statements

Company statement of financial position

At 30 September 2023	Notes	2023 £(000)	2022 £(000)
Non-current assets			
Property, plant and equipment	12	**5,021**	5,069
Deferred tax asset	19	**283**	252
Investments in subsidiaries	13	**15,352**	15,352
		20,656	20,673
Current assets			
Trade and other receivables	15	**651**	132
Cash and cash equivalents	16	**15,497**	11,152
		16,148	11,284
Total assets		**36,804**	31,957
Current liabilities			
Trade and other payables	17	**640**	534
		640	534
Non-current liabilities			
Retirement benefit obligation	21	**2,112**	1,798
Total liabilities		**2,752**	2,332
Net assets		**34,052**	29,625
Equity			
Share capital	20	**802**	808
Share premium account		**157**	157
Capital redemption reserve		**335**	329
Retained earnings		**32,758**	28,331
Total equity		**34,052**	29,625

Retained earnings includes £7,421k (2022: £2,407k) of profit after tax for the financial year, which has been dealt with in the financial statements of the holding company.

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2023 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Chief Financial Officer

Company Registration Number: 00160314

The notes on pages 32 – 53 form part of these financial statements

Company cash flow statement

For the year ended 30 September 2023	Notes	2023 £(000)	2022 £(000)
Cash flows from operating activities			
Operating profit/(loss)		**(291)**	(1,368)
Depreciation and amortisation		**93**	94
Contributions to pension scheme, net of administration fee & GMP equalisation		**(1,634)**	(1,137)
		(1,832)	(2,411)
(Increase)/decrease in trade and other receivables		**(519)**	(75)
Increase/(decrease) in trade and other payables		**106**	6
Cash generated from/(used in) operations		**(2,245)**	(2,480)
Income tax paid		**(91)**	–
Net cash from/(used in) operating activities		**(2,336)**	(2,480)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(46)**	(117)
Interest received		**389**	62
Dividends received		**7,910**	4,258
Net cash generated from/(used in) investing activities		**8,253**	4,203
Cash flows from financing activities			
Dividends paid	9	**(1,197)**	(1,152)
Purchase of own shares		**(375)**	–
Net cash used in financing activities		**(1,572)**	(1,152)
Net increase/(decrease) in cash and cash equivalents		**4,345**	571
Cash and cash equivalents at beginning of year	16	**11,152**	10,581
Cash and cash equivalents at end of year	16	**15,497**	11,152

The notes on pages 32 – 53 form part of these financial statements

Report of the independent auditor

Independent Auditor's report to the members of Dewhurst Group plc for the year ended 30 September 2023.

Opinion

We have audited the financial statements of Dewhurst Group Plc (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 September 2023 which comprise the consolidated statement of income and other comprehensive income, the consolidated and parent Company statements of financial position, the consolidated and parent Company statements of cash flows, the consolidated and parent Company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group and parent Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom, as applied in accordance with the provisions of the Companies Act 2006.

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 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent Company financial statements have been properly prepared in accordance with IFRS's as adopted by the United Kingdom as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing bank statements to monitor the cash position of the group post year end
- Obtaining an understanding of significant expected cash outflows in the forthcoming 12-month period from the date of signing these financial statements including any cash requirements the group may have to provide to its investee companies
- Assessing significant post year events that have a material effect on the financial statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted this statement is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our audit approach

Overview

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

- Revenue recognition
- Inventory provisioning
- Carrying value of investments/ intangibles and recoverability of intercompany loans
- Carrying value of the retirement benefit obligation

These are explained in more detail below.

Audit scope

- We conducted audits of the complete financial information of Dewhurst Group Plc, Dewhurst Limited, Traffic Management Products Limited and A&A Electrical Distributors Limited.
- We performed specified procedures over certain account balances and transaction classes at other Group companies.
- Taken together, the Group companies over which we performed our audit procedures accounted for 100% of the absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units) and 100% of revenue.

Report of the independent auditor

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group has 3 main revenue sources: lift components, transport and keypad sales. The Group had a total turnover of £57,962,000 for the year to 30 September 2023 (2022: £57,565,000) . We checked compliance with IFRS 15, Revenue from Contracts with Customers.	Each component of the Group has a specific specialisation and focuses its sales on its target market. A significant proportion of the Group's sales comes from the lift market. The majority of the revenue is for goods transferred at a point in time. The Group has no material sources of revenue relating to the sale of services. We performed substantive tests to validate the revenue transactions. In addition, we performed cut-off tests to check that items were recorded in the appropriate period. We tested the inventory movement, ownership at the period end, deferred revenue and work in progress. We also checked and considered whether the Group had any material contract assets and liabilities. We reviewed post year end credit notes to check if there was any material post year end adjustment that related to the period. In addition, we checked the provision for expected credit losses and warranty provisions.
Inventory provisioning The Group held £8,337,000 (2022: £7,931,000) of inventory as at 30 September 2023. There are key assumptions that drive the inventory provision including the ability to sell older inventory and the realisable value that will be achieved on sale. A provision for items looking to be sold off at below cost and a provision for aged items which there is a concern may ultimately be sold at below cost. The Group provides against 30% of the stock value where an item has no significant movement in the year; and, provides 100% against stock which has not moved during the period.	We checked the methodology used to calculate the inventory provision and determined it was consistent with that applied in the prior year. We tested the reasonableness of the Group inventory provision. We attended the year end stocktakes, either in person or virtually, and tested sheet to floor and vice versa to agree stock counts. We compared a sample of inventory items at the reporting date to the purchase cost and compared this with sales made around the reporting period or after the year end. For samples which were components, we traced the item to the bill of materials for the finished good and compared the total sales price to the total purchase cost. We reconciled the inventory values used in the provision to the general ledger. We reviewed the calculations and determined that the policy was correctly applied.
Investments/Intangibles carrying value The Company has investments of £15,352,000 (2022: £15,352,000). And the Group had Goodwill and Intangible assets of £9,905,000 (2022: £10,124,000). The Company has amounts due from Group companies of £599,000 (2022: £8,000). Management have performed impairment reviews and have exercised judgement as to the recovery of these investments and amounts due.	We reviewed the carrying value of the investments and intangible assets and the loans to fellow subsidiaries. The review considered the current position of the subsidiaries, the future outlook and forecasts prepared by management. We reviewed the subsidiary accounts and forecasts and have assessed the financial position of each subsidiary. We have also discussed the budgets and forecasts as part of the going concern review and to consider whether we believed any investment was impaired. We considered the loans held by Group entities and their ability to service those loans. We assessed the impairment reviews performed by management. The Group is expected to remain cash generative and profitable based on current trading trends. We have assessed and understood the methodology and assumptions used by the Directors in their analysis and determined it to be reasonable. We performed sensitivity analysis on the forecasts to check that the values arrived at could be supported by a range of performance outcomes that could be expected from the Company.
Carrying value of the retirement benefit obligation and disclosures of retirement benefit obligations There is a risk that the retirement benefit obligation amounting to £2,112,000 (2022: £1,798,000) and before deferred tax adjustment, has been incorrectly stated. Management are required to ensure that all retirement benefit obligations are appropriately disclosed.	Audit procedures were designed to ensure that reliance could be placed on the expert actuary. Additional procedures were designed to ensure that the calculations used were reasonable and that they were properly extracted from the report prepared by the actuary and presented in the consolidated financial statements. We confirm that we reviewed the accounting disclosures pertaining to retirement benefit obligations.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

Group financial statements	Company financial statements
Overall materiality £580,000 (30 September 2022: £576,000).	£341,000 (30 September 2022: £300,000).
How we determined it A benchmark of 1% of Turnover was used to determine the materiality for the Group (2022: 1% of Turnover).	A benchmark of 1% of net assets.
Rationale for benchmark applied We believe that turnover is a primary measure used by shareholders in assessing the performance of the Group and is an appropriate and accepted auditing benchmark.	We consider an asset based measure best reflects the nature of the Company which acts as a parent holding company for the Group's investments.
Performance materiality 75% of overall materiality.	75% of overall materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £4,000 and £341,000.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £29,000 being 5% of Group financial materiality as a whole, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 15 reporting units, comprising the Group's operating businesses of which 12 components are trading subsidiaries. Each subsidiary has its own accounting records and controls and each reports to the head office finance team in the UK.

Of the 12 trading subsidiaries, we identified six which were considered to be significant components for the purposes of the Group financial statements, and which, in our view, required a full audit of their complete financial information in order to ensure that sufficient audit evidence was obtained. The Group audit team performed the statutory audit of the three trading UK subsidiaries, with full-scope Group instructions issued to the other three subsidiaries.

In addition to the significant components, certain agreed upon procedures were performed on eight subsidiaries where non-statutory audits in local jurisdictions were also not required. These works were planned and conducted such that the audit work was complete prior to completion of the Group financial statements. For non-significant components not audited by Gravita Audit Limited, component auditors were operating under our instruction on a limited scope basis.

For all subsidiaries which are subject to full-scope audits and had component Auditors, the Group audit team was in contact, at each stage of the audit, in line with detailed instructions issued and through planning calls and regular written communication with the component Auditors. Specifically, for all component teams, the Group team discussed in detail the planned audit approach at the component level and following the Group audit team review, discussed the detailed reported findings of the audit with each component team.

Report of the independent auditor

The remaining trading subsidiaries were not subject to full-scope audits. Specific audit procedures on certain balances and transactions were performed, based upon component materiality. This focused on revenue recognition, inventory valuation, debtor recoverability and existence and completeness of related parties.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 and the part of the Directors' remuneration report to be audited 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 27, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the group through discussions with directors and other management:
  - The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements and;
  - AIM regulations and Market Abuse Regulations
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 of the financial statements were indicative of potential bias;
- Investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statement is located on the Financial Reporting Council's website at: www.frc.ork.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Other matters which we are required to address

The audit has been designed to detect all material irregularities, including fraud. We believe our tests are sufficient in this regard. The engagement team has remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

Our audit opinion is consistent with the additional Report to the Audit committee.

Use of this report

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.

Sachin Ramaiya
(Senior Statutory Auditor)

For and on behalf of
Gravita Audit Limited
Chartered Accountants
& Statutory Auditor
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

21 December 2023

Notice of meeting

Notice is hereby given that the one hundredth and fourth Annual General Meeting of Dewhurst Group plc will be held at its registered office, Unit 9, Hampton Business Park, Hampton Road West, Feltham, TW13 6DB on 20 February 2024 at 9.00 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 2023 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 19 January 2024.

3 To re-elect as a Director Ms S McErlain, who retires by rotation under the Articles of Association.

4 To re-elect as a Director Mr C Holroyd, who retires by rotation under the Articles of Association.

5 To re-appoint Gravita Audit Ltd 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 706,830 '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 2025 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 2023

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 9.00 am on 18 February 2024 (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 Group plc, Unit 9 Hampton Business Park, Hampton Road West, Feltham, TW13 6DB or the scanned Proxy Form emailed to cosec@dewhurst-group.com 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 9.00 am on 18 February 2024 (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 are on its website but will also 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

Dewhurst Group plc
Unit 9, Hampton Business Park
Hampton Road West
Feltham TW13 6DB

Tel: 020 8744 8200

cosec@dewhurst-group.com
www.dewhurst-group.com

UK subsidiaries

Dewhurst Ltd
Unit 9, Hampton Business Park
Hampton Road West
Feltham TW13 6DB

Tel: 020 8744 8200

info@dewhurst.co.uk
www.dewhurst.co.uk

A&A Electrical Distributors Ltd
234-262 Maybank Road
South Woodford
London E18 1ET

Tel: 020 8559 7000

sales@aa-electrical.com
www.aa-electrical.com

Traffic Management Products Ltd
Unit 6, Trident Drive
Wednesbury WS10 7XB

Tel: 020 8744 8201

info@tmp.solutions
www.tmp.solutions

Overseas subsidiaries

Dewhurst (Hungary) Kft
H-2038, Soskut
Hrsz. 3518/8
Hungary

Tel: 00 362 356 0550

Dupar Controls Inc.
150 Goddard Crescent
Cambridge, Ontario
Canada N3E 0A9

Tel: 001 519 624 2510

sales@dupar.com
www.dupar.com

Elevator Research & Manufacturing Corp.
1417 Elwood Street
Los Angeles
CA 90021 USA

Tel: 001 213 746 1914

sales@elevatorresearch.com
www.elevatorresearch.com

Australian Lift Components Pty Ltd
5 Saggartfield Road
Minto
NSW 2566
Australia

Tel: 00 612 9603 0200

info@ausliftcomp.com.au
www.ausliftcomp.com.au

P&R Liftcars Pty Ltd
7 Kiama Street
Miranda
NSW 2228
Australia

Tel: 00 612 9522 4777

info@prlift.com.au
www.prlift.com.au

Lift Material Australia Pty Ltd
Unit 2, 73 Beauchamp Road
Matraville
NSW 2036
Australia

Tel: 00 612 93 10 4288

info@liftmaterial.com
www.liftmaterial.com

Dual Engraving Pty Ltd
104 Howe Street
Osborne Park, WA 6017
Australia

Tel: 00 618 9443 3677

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

flai@dewhurst-group.com
www.dewhurst-group.com

Dewhurst Singapore Pte Ltd
1 Jalan Kilang Timor
Pacific Tech Centre #04-04
Singapore 159303

Tel: 00 65 6018 7897

displays@dewhurst-global.com
www.dewhurst.co.uk

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

Advisers and company information

Auditors

Gravita Audit Ltd

Chartered Accountants and
Statutory Auditor
Finsgate
5-7 Cranwood Street
London EC1V 9EE

Bankers

National Westminster Bank plc

275-277 High Street
Hounslow
Middlesex TW3 1EG

Registrars

Link Group

Central Square
29 Wellington Street
Leeds LS1 4DL

Nominated adviser and broker

Singer Capital Markets

1 Bartholomew Lane
London EC2N 2AX

Solicitors

Taylor Wessing LLP

5 New Street Square
London EC4A 3TW

Secretary and registered office

Jared Sinclair

Dewhurst Group plc
Unit 9, Hampton Business Park
Hampton Road West
Feltham TW13 6DB

Registered No. 160314

Design: Gill Davies Associates

www.dewhurst-group.com