



DEWHURST plc
INTERIM REPORT
2014

Directors' Interim Report

FIRST HALF

I am pleased to report it has been a much better first half for the Group than last year. Group turnover was up 7% at £23.0 million (2013: £21.6 million) and profit before tax rose 38% to £2.1 million (2013: £1.5 million). Adjusted operating profit* of £2.5 million (2013: £1.8 million) is close to the Group's previous record high of £2.6 million achieved in 2012 and is up 36% on last year. Earnings per share grew by 45% to 17.8p (2013: 12.3p). The Group balance sheet remains strong with cash of £10.4 million (2013: £8.1 million).

The growth in turnover was principally generated by the Lift division. We gained from a full half year of sales from Dual Engraving and strong UK lift controller and monitoring sales, but faced difficult trading conditions in some East coast areas of Australia. Overall we still achieved a 10% increase on Lift division sales compared to last year. Transport and Keypad divisions sales have stabilised, following the falls experienced last year. The weaker Australian and Canadian Dollars reduced reported Group sales by a little over £1 million in the six months.

OUTLOOK

After a busy Spring, some of the steam seems to have gone out of the UK lift market, with some renewed reluctance to commit to significant projects. So although the second half has started reasonably positively, we are expecting a quieter period over the summer, albeit not as quiet as last year. The market for highways products is continuing to recover slowly and demand has also been bolstered by our new products.

Overseas, North America continues to be buoyant, although competition is fierce. In Australia, although the mining boom is over, there is still a backlog of planned infrastructure spending and development in Western Australia. In the east there is some uncertainty following the recent introduction of austerity measures by the Government. However we have continued to invest in expanding our range of escalator products and services to help offset any overall market stagnation.

DIVIDENDS

In line with the previously stated dividend strategy, the Directors have declared an increased interim dividend of 2.80p (2013: 2.34p) which amounts to £238,000 (2013: £199,000). The interim dividend is payable on 26 August 2014 and will be posted on 21 August 2014 to shareholders appearing in the Register on 11 July 2014 (ex-dividend date being 9 July 2014).

A final 2013 dividend of 5.66p which amounted to £482,000, compared with 4.68p (plus 5.00p special) the previous year (2013: £824,000) was approved at the AGM held on 4 February 2014 and was paid on 20 February 2014 to members on the register at 17 January 2014.

By Order of the Board

J C SINCLAIR

Finance Director & Secretary
9 June 2014

Dewhurst plc

The unaudited consolidated income statement, statement of recognised income and expense, balance sheet and cash flow statement of Dewhurst plc and its subsidiaries for the half-year ended 31 March 2014, as compared with the corresponding half-year ended 31 March 2013 and the year ended 30 September 2013, shows the following results:

Consolidated income statement

	Half year ended 31 March 2014 £000's	Half year ended 31 March 2013 £000's	Year ended 30 September 2013 £000's
Continuing operations			
Revenue	23,021	21,592	43,698
Operating costs	(20,698)	(19,841)	(41,104)
Adjusted operating profit*	2,471	1,811	4,084
Goodwill write down	-	-	(1,266)
Amortisation of acquired intangibles	(148)	(60)	(224)
Operating profit	2,323	1,751	2,594
Finance income	39	62	100
Finance costs	(226)	(266)	(392)
Profit before taxation	2,136	1,547	2,302
Tax on profits	Est. (619)	Est. (499)	(1,307)
Profit for the period	1,517	1,048	995
Attributable to:			
Equity shareholders of the Company	1,506	1,059	1,043
Non-controlling interests	11	(11)	(48)
	1,517	1,048	995
Basic and diluted earnings per share	17.82p	12.31p	11.69p
Dividends per share	2.80p	2.34p	8.00p

Consolidated statement of recognised income and expense

	Half year ended 31 March 2014 £000's	Half year ended 31 March 2013 £000's	Year ended 30 September 2013 £000's
Net income/(expense) recognised directly in equity:			
Actuarial gains/(losses) on the defined benefit pension scheme	Est. 127	Est. 1,789	361
Exchange differences on translation of foreign operations	(482)	458	(947)
Tax on items taken directly to equity	15	(673)	184
Net income / (expense) recognised directly in equity in the period	(340)	1,574	(402)
Profit for the financial period	1,517	1,048	995
Total recognised income and expense for the period	1,177	2,622	593
Attributable to:			
Equity shareholders of the Company	1,181	2,571	717
Non-controlling interests	(4)	51	(124)
	1,177	2,622	593

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

Consolidated balance sheet

	Half year ended 31 March 2014 £000's	Half year ended 31 March 2013 £000's	Year ended 30 September 2013 £000's
Non-current assets			
Goodwill	3,251	4,991	3,173
Other intangibles	664	1,166	836
Property, plant and equipment	8,882	9,924	9,240
Deferred tax asset	1,689	1,303	1,709
	14,486	17,384	14,958
Current assets			
Inventories	4,191	4,676	4,557
Trade and other receivables	9,722	9,412	8,556
Current tax assets	-	-	20
Cash and cash equivalents	10,407	8,112	10,506
	24,320	22,200	23,639
Total assets	38,806	39,584	38,597
Current liabilities			
Trade and other payables	5,305	4,910	5,445
Current tax liabilities	228	146	-
Short term provisions	757	759	752
	6,290	5,815	6,197
Non-current liabilities			
Retirement benefit obligation	9,951	9,631	10,530
Total liabilities	16,241	15,446	16,727
Net assets	22,565	24,138	21,870
Equity			
Share capital	851	851	851
Share premium account	157	157	157
Capital redemption reserve	286	286	286
Translation reserve	1,043	2,453	1,425
Retained earnings	19,572	19,615	18,540
Total attributable to equity shareholders of the Company	21,909	23,362	21,259
Non-controlling interests	656	776	611
Total equity	22,565	24,138	21,870

These half-year condensed financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The results for the 2013 year set out above are abridged. Full accounts for that year reported under IFRS, on which the auditors of the Company made an unqualified report have been delivered to the Registrar of Companies.

The presentation of these Interim Financial Statements is consistent with the 2013 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2013 Interim Financial Statements to take into account any presentational changes made in the 2013 Financial Statements or in these Interim Financial Statements. Reported figures for the current half year and all comparatives have been amended as a result of IAS19 (revised), which requires the recalculation of net interest costs on the defined benefit pension scheme reported through finance costs in the income statement.

Consolidated cash flow statement

	Half year ended 31 March 2014 £000's	Half year ended 31 March 2013 £000's	Year ended 30 September 2013 £000's
Cash flows from operating activities			
Operating profit	2,323	1,751	2,594
Goodwill write down	-	-	1,266
Depreciation and amortisation	514	446	1,198
Additional income to pension scheme	(663)	(662)	(1,356)
Exchange adjustments	(171)	(73)	35
(Profit)/loss on disposal of property, plant and equipment	(7)	(3)	75
	1,996	1,459	3,812
(Increase)/decrease in inventories	366	176	415
(Increase)/decrease in trade and other receivables	(1,166)	(991)	(135)
Increase/(decrease) in trade and other payables	(140)	(672)	(308)
Increase/(decrease) in provisions	5	37	30
Cash generated from operations	1,061	9	3,814
Interest paid	-	-	(1)
Income tax paid	(325)	(376)	(869)
Net cash (used in) / from operating activities	736	(367)	2,944
Cash flows from investing activities			
Acquisition of subsidiary undertakings	(112)	(1,803)	-
Acquisition of business and assets	-	-	(1,716)
Proceeds from sale of property, plant and equipment	11	8	22
Purchase of property, plant and equipment	(123)	(321)	(587)
Development costs capitalised	-	-	(112)
Interest received	39	62	100
Net cash (used in) / from investing activities	(185)	(2,054)	(2,293)
Cash flows from financing activities			
Dividends paid	(482)	(824)	(1,023)
Net cash used in financing activities	(482)	(824)	(1,023)
Net increase/(decrease) in cash and cash equivalents	69	(3,245)	(372)
Cash and cash equivalents at beginning of period	10,506	11,101	11,101
Exchange adjustments on cash and cash equivalents	(168)	256	(223)
Cash and cash equivalents at end of period	10,407	8,112	10,506

Board of Directors

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

David Dewhurst, B.Sc.(Eng.)

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

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

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

Non-executive

John Bailey

Non-executive

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