Dewhurst Group PLC

("Dewhurst" or the "Group")

Preliminary Results for the year ended 30 September 2022

Chairman's Statement

Results

I am pleased that the Group is able to report increased sales this year, but disappointed that adjusted operating profit was slightly down on reduced margins. Group sales for the year to 30 September 2022 increased 2.3% to £57.6 million (2021: £56.2 million). Adjusted operating profit before the cyber attack remediation costs and last year's amortisation of acquired intangibles and gain on the sale of a property was £8.8 million (2021: £9.2 million) and profit before tax was £7.2 million (2021: £9.6 million).

Although reported sales were slightly up overall, at constant currencies sales were broadly flat. Transport and Highways fell back a further 16% this year with no cycleway schemes compared to a residue of projects in 2021. Keypad sales recovered from the low levels experienced during the pandemic-affected 2020-21 period. The Lift division improved 3% with stronger sales in the UK and particularly North America, offset by lower sales in Australia. Currency movements were responsible for an increase in reported sales of £1.2 million, with the pound weakening against most currencies and the US & Canadian dollars strengthening.

Our continuing profitability and strong balance sheet enable us to propose an increase in our final dividend by 0.5p, making an increase of 0.75p for the year. If approved this would result in a total dividend for 2022 of 14.75p per share which is 5.4% up on 2021.

Operations and People

I would like to pay tribute to our employees for working through the challenges of this year. The previously reported cyber attack in May disrupted our operations for several weeks and remediation costs affected our profits. Our employees put in a tremendous effort to help us recover and do our best to minimise the impact on our customers. It has also been a year in which it has been difficult to recruit sufficient staff to support our operations. Despite this we delivered solid results in the circumstances.

In common with many companies, we have experienced rapidly rising costs in many of the commodities and components we use. Whilst we have increased prices during the year, we have not been able to recover all of these increased costs, with a corresponding impact on our operating margin. Whilst it is important to protect our margin as much as we can, it is also crucial to support our customer relationships and honour our long-term commitments.

After driving the growth of the Group for more than 30 years David Dewhurst stepped back from his full time role of Group Managing Director at the end of the financial year. David has played a key role in shaping the Group and driving its strategy to broaden its markets for a very long time. His energy, decisiveness and determination have been instrumental in the Group's growth. On behalf of all shareholders I want to thank him for his huge contribution to the success of the Group. John Bailey has moved over from managing A&A to take on the role of CEO for the Group from 1st October 2022. David will be supporting John in the role of strategic advisor to ensure a successful transition in the senior management team. I am delighted that John is taking on the CEO role. John has worked with David and myself for many years in several of the Group's businesses and shares our values. There are plenty of challenges for businesses at present and I am confident John will take on these challenges with enthusiasm and help to build the senior team for long term success.

Investment

We recently established a Group fund to provide investment in projects to improve our environmental sustainability. I am delighted that we have completed a major project this year under the scheme to install a solar panel array on the roof of our Feltham factory. Even with November's gloomy weather this has contributed 16% of the site's electricity needs since commissioning in October.

Outlook

Group sales in the first quarter are looking as though they will be similar overall to last year.

Lift product demand in Australia is a little softer, primarily as a result of a reduction in major projects and the outlook for the UK is expected to be weaker with a recession underway or looming, In North America the economic conditions are stronger and we have a reasonable pipeline of projects, which should carry us through the first half at least.

For our other product sectors, keypad sales are expected to be slightly stronger in the short term, continuing the bounce back from the pandemic lull, while sales of Highways and Transport products are forecast to show steady improvement over the year.

Cost pressures on materials are likely to be a continuing concern, but we are working hard to mitigate these effects. It seems that the worst of the staff shortages following the pandemic have eased, but we continue to explore ideas to improve recruitment and retention. At some companies we have not yet seen the full impact of energy price rises, but these are going to come through during the first half. With the strength of our balance sheet we are continuing to invest to increase our resilience to these challenges and to improve our operational and environmental performance. We continue to look for opportunities to invest in growth and will be happy to commit our cash when suitable opportunities are found that align with the Group strategy.

Richard Dewhurst
Chairman

Strategic Report

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 and in the Chairman's Statement.

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. The key non-financial performance indicators relevant to the Group are quality measures and on-time deliveries to our customers.

Operating Highlights

The business environment has generally been better than we anticipated at the start of the year.

It has been refreshing to return to some form of normality after two trading years of uncertainty caused by the pandemic. Despite business having settled down, the environment we find ourselves in today is very different to that in which we operated prior to the pandemic. There are still significant supply chain issues both in terms of supply and rising costs of materials. However we are able to mitigate those to a certain extent. The biggest post pandemic challenge that we faced during the year was in human resources and the availability of labour. Our people are key to the success of our businesses and around the world we have found it very challenging to recruit the people we need. This put significant stresses on our staff, particularly senior management.

Early in the second half of the year we suffered an extremely serious cyber attack, which impacted all our businesses. We worked hard to minimise any impact to our customers and by and large we were successful in that respect. The financial impact of the attack was significant but the speed with which we resolved it, ensured that there was no material impact to trading revenues. It is frustrating that our IT defences were breached and this is becoming an all too common situation within the business community. Although it is virtually impossible to totally protect your business from these types of attack, we are investing to ensure the chance of a repeat is minimised and the impact of another attack far less serious.

The spirit shown by all our staff after the attack was impressive. The recovery put a great deal of additional workload onto staff in our businesses and we are very grateful for the support they gave.

The business has faced some stiff challenges this year. To have delivered these results in the face of these challenges is a credit to the team and I would like to thank all our colleagues for their hard work in the past year.

UNITED KINGDOM

Dewhurst Limited

Sales grew strongly at Dewhurst Ltd led by increased demand for our products particularly from our overseas customers.

We worked hard throughout the year to reduce the environmental impact of our manufacturing. One initiative that proved quite successful was the purchase of a grinding machine which regrinds our plastic waste back into pellets. We are now able to use 10% of recycled plastic in our mouldings and to use 100% recycled material when purging our moulding machines.

Our pushbutton products are manufactured from polycarbonate, which whilst being extremely strong and durable, can be damaged by aggressive cleaning agents. Since the pandemic we have seen increased use of these cleaning agents in lifts. For some time we have been researching new plastics which have improved resistance to chemical attack, whilst still being strong. This year we found a new plastic that has these qualities and we are currently launching our pushbutton range in this new material across our markets.

Our antibacterial pushbuttons have continued to prove very successful and at the request of the Melbourne Metro we have added the new US91 Jumbo to our antibacterial range of buttons.

Traffic Management Products (TMP)

Sales fell back from the high levels we have seen in the last two years. The first phase of the Government's Active Travel Fund trial cycle schemes is now complete. Local authorities are now in the process of assessing those trials before rolling out longer term schemes.

Demand for TMP's traffic bollards remained buoyant and overseas demand for our new Evo-Max traffic bollard was particularly strong.

At TMP we have also focused our energies on minimising our environmental impact and this has been well received by our customers. We have increased the use of bio-polymers (derived from sugar cane) in the manufacture of our products. Our new NonCrete Bio Polymer bollard recently won the Green Apple Environment Award. The award recognises companies that promote environmental best practice around the world.

A&A Electrical Distributors (A&A)

Sales grew marginally at A&A over the year despite the fact that A&A (due to its high percentage of same day sales) was the only company to be impacted in terms of lost sales through the cyber attack. Margins at A&A were broadly in line with the previous year.

John Bailey's move to Group Chief Executive Officer created a vacancy at A&A and we are very pleased to welcome Dean White as the new Managing Director. Dean was previously a Director of Schindler UK and has a wealth of experience in the lift industry.

A&A has focused on implementing core changes at operational and process level this year. The implementation of Tempo within Syspro as part of our supply chain strategy, has given us the opportunity to improve the accuracy of our inventory and streamline the purchasing process. This has enabled us to safely reduce inventory levels by around 10% whilst maintaining an inventory availability to our customers at 98% or above.

With Tempo in place, we have had more time to look at the supply chain, review previous price increases, and manage these by agreeing price freezes and rebate schemes with some of our suppliers.

We have continued to refine and improve our E-Commerce platform and now believe that we have an industry leading offering.

EUROPE

Dewhurst Hungary

After two unspectacular years, Dewhurst Hungary saw a double digit percentage growth in sales.

We have been concerned for some time now about the decline in cash usage. It seems that although it declined during the pandemic, the outlook for cash usage is currently improving and in turn the demand for ATM's.

NORTH AMERICA

Dupar Controls

In our first full year in our new facility we saw a double digit growth in sales, building on last year's record levels. Profits also grew to a new record, despite considerable margin pressures.

The team at Dupar were focused on optimising the new facility. Particular attention was paid to storage and material handling. We purchased a new sheet metal racking system, which allows single man handling of sheets from storage onto our fibre laser cutting machine bed.

We have also invested in our front end processes, developing a new quote module to our Engineer to Order drawing package. This will generate an automatic drawing of the fixtures directly from the quote, significantly enhancing the pre-order experience for our customers.

Elevator Research & Manufacturing (ERM)

We recovered sales at ERM after the challenges of the previous year. We achieved double digit sales growth which was driven by our new Sales Manager. The sales growth ensured that once again ERM was in the black.

ERM have traditionally found it hard to penetrate the California market and our sales have never truly reflected the potential of the market. We need to redress this and that is the challenge for the team at ERM.

AUSTRALIA & ASIA

Australian Lift Components (ALC)

After a run of strong years for ALC, last year saw a reduction in sales as the number of new commercial property projects in Sydney declined. We had anticipated this fall and both sales and profits were broadly in line with our budgets.

We continue to work hard to develop interstate markets and we recently won a very substantial order for fixtures for the Melbourne Metro. The fixtures are the first to use the new Antibacterial Jumbo pushbutton developed by Dewhurst.

P&R Lift Cars (P&R)

In line with ALC, P&R have experienced a reduction of new projects in Sydney, which is their primary market. This has led to a considerable fall in both sales and profits.

Throughout the year we have been working to leverage our ALC sales opportunities to include P&R's offering. We have substantially increased the number of joint projects we have sold where we supply both ALC fixtures and P&R interiors. The team have been reasonably successful with this initiative but these projects tend to be of a smaller size.

Lift Material

Sales grew strongly through the year to a new record level and profits in turn saw double digit growth also to a new record level. Despite being based in Sydney, Lift Material as a distributor has truly countrywide sales and they have benefitted considerably from increased levels of service and repair work in all states.

We have seen reasonable traction this year on products that Lift Material share with A&A. Prysmian cables saw good growth as did the A&A LED shaft lighting system.

The team at Lift Material have completed a reorganisation of the warehouse. There is now a much cleaner, efficient layout. We have installed purpose built racking for our cable and handrail drums, allowing easier and safer cutting to length for customer orders.

Dual

In 2021 we saw a parts and labour shortage in Western Australia, which caused a delay to many of Dual's projects. The lift companies in Perth by and large resolved those issues and this year proved to be a very busy one for Dual. Sales grew to a record level, however profits, although growing substantially, were not at record levels. We faced some margin erosion through material cost increases.

Dual struggled with recruitment to cover the increased sales and this meant that we were not able to operate as efficiently as we would have liked. It also put significant pressure on the team at Dual who worked tirelessly to meet customer project deadlines. The labour market in Perth has improved recently and we have been able to take on a number of new recruits in the last month.

Dewhurst Hong Kong

Dewhurst Hong Kong achieved double digit sales growth and we saw a corresponding increase in profits. There was strong sales growth in the South East Asia region, which was a real achievement. It is not easy to generate new sales outside Hong Kong when it is not possible to travel.

The Covid-19 pandemic has been quite a challenge for the team. The company is the only Group company we have not been able to visit, due to the continued quarantine restrictions. However Feona Lai has remained extremely positive and upbeat, whilst having to work in isolation. It is our hope that quarantine rules will be relaxed in the coming year and we will be able to visit the company once again.

David Dewhurst
Group Managing Director

Financial Review

Trading results

Despite the cyber attack in May 2022 forcing the Group to adapt over a weekend and revert to manual systems for around a month whilst our IT systems were restored, it is pleasing to report no significant impact on sales and the Group is still able to report record revenues. Customers were understanding and our staff adapted admirably to these temporary working arrangements whilst continuing to deliver to our customers which is a testament to their hard work and loyalty for which I and the Group are grateful.

Lift sales overall increased 3% due to strong UK and North America sales which more than offset a tough year in Australia, particularly at P&R. Transport sales fell 16% due to no UK Government cycle lane delineator trials converting to projects in 2022 but this is still 26% up on pre Covid-19 levels. Keypads saw a resurgence as cash starts to be used again and reported a 16% increase on 2021. Overall revenue increased by 2.3% to £57.6 million (2021: £56.2 million).

With increased and uncertain lead times from suppliers, the Group proactively increased its inventories. This also helped to mitigate the impact of cost increases, which we could not fully recover. Overall adjusted operating profit decreased by 4.3% to £8.8 million (2021: £9.2 million).

The various Government schemes around the world to support companies during Covid-19 have pretty much now concluded everywhere, so in 2022 the total support from all Governments was £0.3 million (2021: £0.2 million) of which nil (2021: £10k) was received in the UK. As was the case in 2021, the Group director bonuses in 2022 exclude any benefit from government grants received.

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 increased both like-for-like revenue and profit before tax by only 2% (2021: an increase of 1% each).

Strong cash position

The subsidiaries continued to trade throughout 2022 without the need for Group cash support. The Group started and ended the year without any bank borrowings along with a strong cash balance of £21.8 million, up £1.3 million from 2021.

During the year, the Group spent £1.5 million on cyber attack remediation costs, £1.5 million on dividends, as well as £0.8 million on the purchase of property, plant and equipment. The most significant asset addition in 2022 was £0.12 million spent on a 207 kWp capacity solar panel system at Feltham which has been operational since October 2022 and hopefully will supply c.30% of our Feltham site's annual electricity usage, reduce our annual carbon footprint by 40 tonnes of CO_2, as well as hopefully pay for itself within 3 years.

Pension scheme deficit

As in 2021, I am again pleased to report a further reduction in the pension scheme deficit. Whilst the pension scheme assets underperformed expectations, the liability discount rate increased from 2.05% to 5.25% at the year-end which means the liability reduction more than eliminated any asset fall. The Company paid a total of £1.2 million deficit reduction contributions into the pension scheme this year and, as a result of all these changes, the scheme deficit decreased by £2.9 million to £1.8 million (2021: £4.7 million).

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.

Dividends

The Board is proposing a final dividend of 10.25p (2021: 9.75p). If approved, this would be paid on 22 February 2023 and would result in a total dividend for 2022 of 14.75p per share which is 5.4% up on 2021 and is covered 4.3 times by earnings. Dividends are accounted for when paid or approved by shareholders, and not when proposed, therefore the proposed final dividend for 2022 has not been accrued at the end of the reporting period.

There was no change in the number of the total issued share capital of the Company during the year.

Jared Sinclair
Finance Director

Consolidated statement of comprehensive income

For the year ended 30 September 2022		
	2022	2021
	£(000)	£(000)
Continuing operations		
Revenue	**57,565**	56,249
Operating costs	**(50,269)**	(46,395)
Adjusted operating profit*	**8,818**	9,214
Cyber attack remediation costs+	**(1,522)**	–
Profit on sales of property, plant and equipment^	**–**	1,751
Amortisation of acquired intangibles	**–**	(1,111)
Operating profit	**7,296**	9,854
Finance income	**64**	20
Finance costs	**(191)**	(311)
Profit before taxation	**7,169**	9,563
Taxation	**(2,051)**	(2,110)
Profit for the period	**5,118**	7,453
Other comprehensive income:		
Actuarial gains/(losses) on the defined benefit pension scheme	**1,887**	5,344
Deferred tax effect	**(472)**	(1,336)
Tax on items taken directly to equity	**200**	224
Total that will not be subsequently reclassified to income statement	**1,615**	4,232
Exchange differences on translation of foreign operations	**3,563**	(425)
Total that may be subsequently reclassified to income statement	**3,563**	(425)
Other comprehensive income/(expense) for the year, net of tax	**5,178**	3,807
Total comprehensive income for the year	**10,296**	11,260
Profit for the year attributable to:		
Equity Shareholders of the Company	**4,849**	7,030
Non-controlling interests	**269**	423
	5,118	7,453
Total comprehensive income for the year attributable to:		
Equity Shareholders of the Company	**9,867**	10,877
Non-controlling interests	**429**	383
	10,296	11,260
Basic and diluted earnings per share	**60.00p**	86.98p
Basic and diluted earnings per share – continuing operations	**60.00p**	86.98p

* 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 Strategic Report
^ Gain arising on the disposal of old premises at Dupar Controls Inc.

Consolidated statement of financial position

At 30 September 2022

	2022	2021
	£(000)	£(000)
Non-current assets		
Goodwill	**10,105**	9,626
Other intangibles	**19**	24
Property, plant and equipment	**19,147**	17,827
Right-of-use assets	**2,473**	2,802
Deferred tax asset	**118**	1,111
	31,862	31,390
Current assets		
Inventories	**7,931**	6,597
Trade and other receivables	**12,318**	10,008
Current tax asset	**281**	–
Cash and cash equivalents	**21,764**	20,463
	42,294	37,068
Total assets	**74,156**	68,458
Current liabilities		
Trade and other payables	**7,783**	7,571
Current tax liabilities	**–**	89
Short-term provisions	**344**	343
Lease liabilities	**505**	450
	8,632	8,453
Non-current liabilities		
Retirement benefit obligation	**1,798**	4,737
Lease liabilities	**2,193**	2,537
Total liabilities	**12,623**	15,727
Net assets	**61,533**	52,731
Equity		
Share capital	**808**	808
Share premium account	**157**	157
Capital redemption reserve	**329**	329
Translation reserve	**5,065**	1,662
Retained earnings	**53,525**	48,213
Total attributable to equity Shareholders of the Company	**59,884**	51,169
Non-controlling interests	**1,649**	1,562
Total equity	**61,533**	52,731

The financial statements were approved by the Board of Directors and authorised for issue on 8 December 2022 and were signed on its behalf by:

Richard Dewhurst Chairman
Jared Sinclair Finance Director
Company Registration Number: 160314

Consolidated statement of changes in equity

For the year ended 30 September 2022

	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 2020	808	157	329	2,047	38,042	1,443	42,826
Exchange differences on translation of foreign operations	–	–	–	(385)	–	(40)	(425)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	5,344	–	5,344
Deferred tax effect	–	–	–	–	(1,336)	–	(1,336)
Tax on items taken directly to equity	–	–	–	–	224	–	224
Dividends paid	–	–	–	–	(1,091)	(264)	(1,355)
Profit for the year	–	–	–	–	7,030	423	7,453
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**

Consolidated cash flow statement

For the year ended 30 September 2022

continuing operations	2022 £(000)	2021 £(000)
Cash flows from operating activities		
Operating profit	**7,296**	9,854
Depreciation, amortisation and impairments	**1,050**	2,317
Right-of-use asset depreciation	**509**	489
Contributions to pension scheme, net of administration fee & GMP equalisation costs	**(1,137)**	(1,357)
Exchange adjustments	**738**	(49)
(Profit)/loss on disposal of property, plant and equipment	**(13)**	(1,774)
	8,443	9,480
(Increase)/decrease in inventories	**(1,334)**	(389)
(Increase)/decrease in trade and other receivables	**(2,310)**	(455)
Increase/(decrease) in trade and other payables	**212**	(1,213)
Increase/(decrease) in provisions	**1**	–
Cash generated from operations	**5,012**	7,423
Interest paid	**(1)**	(25)
Tax paid	**(1,712)**	(1,896)
Interest and tax paid	**(1,713)**	(1,921)
Net cash from operating activities	**3,299**	5,502
Cash flows from investing activities		
Acquisition of subsidiary undertaking	**–**	(649)
Proceeds from sale of property, plant and equipment	**23**	2,122
Purchase of property, plant and equipment	**(789)**	(2,500)
Development costs capitalised	**(5)**	(15)
Interest received	**64**	20
Net cash generated from/(used in) investing activities	**(707)**	(1,022)
Cash flows from financing activities		
Dividends paid	**(1,494)**	(1,355)
Repayment of lease liabilities including interest	**(584)**	(562)
(Repayment)/Proceeds from bank borrowings	**–**	(69)
Net cash used in financing activities	**(2,078)**	(1,986)
Net increase/(decrease) in cash and cash equivalents	**514**	2,494
Cash and cash equivalents at beginning of year	**20,463**	18,139
Exchange adjustments on cash and cash equivalents	**787**	(170)
Cash and cash equivalents at end of year	**21,764**	20,463

Notes

1. AGM, results and dividends

The profit for the year, after taxation, amounted to £5.1 million (2021: £7.5 million).

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 10.25p per share (2021: 9.75p) for the financial year ended 30 September 2022 will be proposed at the Annual General Meeting (AGM) to be held on 14 February 2023. If approved, this dividend will be paid on 22 February 2023 to members on the register at 20 January 2023. The ex-dividend date will be 19 January 2023.

An interim dividend of 4.50p per share (2021: 4.25p) was paid on 16 August 2022.

2. Earnings per share and dividend per share

Weighted average number of shares	**2022 No.**	2021 No.
For basic and diluted earnings per share	**8,081,398**	8,081,398

The calculation of basic and diluted earnings per share is based on the profit for the financial year of £4,848,816 and on 8,081,398 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	**2022 £(000)**	2021 £(000)
2021 final paid of 9.75p (2020: 9.25p)	**(788)**	(748)
2022 interim paid of 4.50p (2021: 4.25p)	**(364)**	(343)
Dividends paid – The Company	**(1,152)**	(1,091)
Dividends paid to non-controlling interests – Dual Engraving Pty Ltd & P&R Liftcars Pty Ltd	**(342)**	(264)
Dividends paid – The Group	**(1,494)**	(1,355)

The final proposed dividend is based on 3,309,200 Ordinary 10p shares and 4,772,198 'A' non-voting ordinary 10p shares, being the latest number of shares in issue. The Directors are proposing a final dividend of 10.25p (2021: 9.75p) per share, totalling £828k (2021: £788k). This dividend has not been accrued at the end of the reporting period.

3. Accounting policies

The accounting policies applied to the 2022 accounts have been consistent with 2021 in all manners.

4. Basis of preparation

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2022 or 2021. Statutory accounts for 2021 have been delivered to the Registrar of Companies. The statutory accounts for 2022 which are prepared under IFRS as adopted by the UK will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The preliminary statement of results has been reviewed by and agreed with the Company's auditor, Jeffreys Henry LLP, who have indicated that they will be giving an unqualified opinion in their report on the statutory financial statements for 2022.

Dewhurst Group plc has prepared its consolidated and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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.

These are the first financial statements prepared under UK adopted international accounting standards. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. Dewhurst Group plc transitioned to UK-adopted International Accounting Standards in its consolidated and Company financial statements on 1 October 2021. This change constitutes a change in accounting framework. However, there is no change on recognition, measurement or disclosure in the financial year reported as a result of the change in framework.

It is expected that the audited Report and Accounts for the year ended 30 September 2022 will be sent to shareholders and will also be available on the Company's website www.dewhurst-group.com on 12 January 2023.

- Ends -

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