



**DEWHURST plc**  
**INTERIM REPORT**  
**2015**

# Dewhurst plc - Interim Results for the 6 months ended 31 March 2015

## Directors' Interim Report

### **FIRST HALF**

I am pleased to report a better first half profit performance for the Group compared to last year. Weakness in the UK market resulted in lower revenue domestically, but the overseas companies of the Group performed strongly. Overall Group revenue decreased marginally to £22.8 million (2014: £23.0 million), but profit before tax increased by 4% to £2.2 million (2014: £2.1 million). Adjusted operating profit\* of £2.6 million (2014: £2.5 million) is up 3% on last year and earnings per share grew by 5% to 18.6p (2014: 17.8p). The Group balance sheet remains strong with cash of £13.0 million (2014: £10.4 million).

After a positive start to the year, UK sales fell back in the second quarter, possibly affected by the General Election. In the six months ended 31 March 2015, UK sales were weaker across both Lift and Transport divisions, but the impact was greatest in the Lift division after a very strong first half for those products last year. The fall in UK sales was almost completely offset by stronger North American, Asian and Australian performance; however the weaker Australian and Canadian Dollars reduced reported Group revenue by approximately £0.2 million in the first six months.

### **OUTLOOK**

The UK Government has indicated that constraints on public spending will increase further and this is likely to impact our public sector sales. In our overseas markets the short term outlook is reasonably positive, suggesting that current trends are likely to continue. Consequently we expect our markets in the UK to remain weaker, whilst our overseas markets should remain buoyant, at least for the second half of the year. However a further fall in the Australian and Canadian currencies will have some negative impact on the profitability of our operations in those countries and their contribution to Group performance.

### **DIVIDENDS**

The Directors have declared an increased interim dividend of 3.00p (2014: 2.80p) which amounts to £254,000 (2014: £238,000). The interim dividend is payable on 25 August 2015 and will be posted on 20 August 2015 to shareholders appearing in the Register on 10 July 2015 (ex-dividend date being 9 July 2015).

A final 2014 dividend of 6.20p (2014: 5.66p) which amounted to £525,000 (2014: £482,000) was approved at the AGM held on 3 February 2015 and was paid on 19 February 2015 to members on the register at 16 January 2015.

By Order of the Board

**J C SINCLAIR**

Finance Director & Secretary

8 June 2015

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

## 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 2015, as compared with the corresponding half-year ended 31 March 2014 and the year ended 30 September 2014, shows the following results:

<b><u>Consolidated income statement</u></b>	<b>Half year ended 31 March 2015 £000's</b>	<b>Half year ended 31 March 2014 £000's</b>	<b>Year ended 30 September 2014 £000's</b>
<b>Continuing operations</b>			
Revenue	22,772	23,021	46,616
<b>Operating costs</b>	<b>(20,364)</b>	<b>(20,698)</b>	<b>(41,437)</b>
Adjusted operating profit*	2,549	2,471	5,475
Amortisation of acquired intangibles	(141)	(148)	(296)
<b>Operating profit</b>	<b>2,408</b>	<b>2,323</b>	<b>5,179</b>
Finance income	48	39	85
Finance costs	(232)	(226)	(452)
<b>Profit before taxation</b>	<b>2,224</b>	<b>2,136</b>	<b>4,812</b>
<b>Tax on profits</b>	<b>Est. (645)</b>	<b>Est. (619)</b>	<b>(866)</b>
<b>Profit for the period</b>	<b>1,579</b>	<b>1,517</b>	<b>3,946</b>
Attributable to:			
Equity shareholders of the Company	1,565	1,506	3,930
Non-controlling interests	14	11	16
	<b>1,579</b>	<b>1,517</b>	<b>3,946</b>
Basic and diluted earnings per share	<b>18.63p</b>	17.82p	46.22p
Dividends per share	<b>3.00p</b>	2.80p	9.00p
<b><u>Consolidated statement of recognised income and expense</u></b>	<b>Half year ended 31 March 2015 £000's</b>	<b>Half year ended 31 March 2014 £000's</b>	<b>Year ended 30 September 2014 £000's</b>
<b>Net income/(expense) recognised directly in equity:</b>			
Actuarial gains/(losses) on the defined benefit pension scheme	<b>Est. (122)</b>	Est. 127	(2,570)
Exchange differences on translation of foreign operations	<b>(256)</b>	(482)	(669)
Tax on items taken directly to equity	<b>(15)</b>	15	648
Net income / (expense) recognised directly in equity in the period	<b>(393)</b>	(340)	(2,591)
Profit for the financial period	<b>1,579</b>	1,517	3,946
<b>Total recognised income and expense for the period</b>	<b>1,186</b>	<b>1,177</b>	<b>1,355</b>
Attributable to:			
Equity shareholders of the Company	1,195	1,181	1,379
Non-controlling interests	(9)	(4)	(24)
	<b>1,186</b>	<b>1,177</b>	<b>1,355</b>

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

**Consolidated balance sheet**

	Half year ended 31 March 2015 £000's	Half year ended 31 March 2014 £000's	Year ended 30 September 2014 £000's
<b>Non-current assets</b>			
Goodwill	3,016	3,251	3,129
Other intangibles	307	664	463
Property, plant and equipment	8,458	8,882	8,665
Deferred tax asset	2,073	1,689	2,086
	<b>13,854</b>	<b>14,486</b>	<b>14,343</b>
<b>Current assets</b>			
Inventories	4,496	4,191	4,501
Trade and other receivables	10,087	9,722	9,199
Current tax assets	-	-	26
Cash and cash equivalents	13,045	10,407	12,928
	<b>27,628</b>	<b>24,320</b>	<b>26,654</b>
<b>Total assets</b>	<b>41,482</b>	<b>38,806</b>	<b>40,997</b>
<b>Current liabilities</b>			
Trade and other payables	5,381	5,305	5,398
Current tax liabilities	172	228	-
Short term provisions	1,031	757	959
	<b>6,584</b>	<b>6,290</b>	<b>6,357</b>
<b>Non-current liabilities</b>			
Retirement benefit obligation	11,868	9,951	12,192
<b>Total liabilities</b>	<b>18,452</b>	<b>16,241</b>	<b>18,549</b>
<b>Net assets</b>	<b>23,030</b>	<b>22,565</b>	<b>22,448</b>
<b>Equity</b>			
Share capital	847	851	847
Share premium account	157	157	157
Capital redemption reserve	290	286	290
Translation reserve	724	1,043	929
Retained earnings	20,464	19,572	19,590
Total attributable to equity shareholders of the Company	<b>22,482</b>	<b>21,909</b>	<b>21,813</b>
Non-controlling interests	548	656	635
<b>Total equity</b>	<b>23,030</b>	<b>22,565</b>	<b>22,448</b>

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 year ended 30 September 2014 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 2014 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2014 Interim Financial Statements to take into account any presentational changes made in the 2014 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 2015 £000's	Half year ended 31 March 2014 £000's	Year ended 30 September 2014 £000's
<b>Cash flows from operating activities</b>			
Operating profit	2,408	2,323	5,179
Depreciation and amortisation	450	514	1,194
Additional income to pension scheme	(663)	(663)	(1,360)
Exchange adjustments	(368)	(171)	(57)
(Profit)/loss on disposal of property, plant and equipment	-	(7)	(21)
	<b>1,827</b>	<b>1,996</b>	<b>4,935</b>
(Increase)/decrease in inventories	5	366	56
(Increase)/decrease in trade and other receivables	(888)	(1,166)	(643)
Increase/(decrease) in trade and other payables	(17)	(140)	(47)
Increase/(decrease) in provisions	72	5	207
Cash generated from operations	999	1,061	4,508
Income tax paid	(136)	(325)	(605)
<b>Net cash (used in) / from operating activities</b>	<b>863</b>	<b>736</b>	<b>3,903</b>
<b>Cash flows from investing activities</b>			
Acquisition of business and assets	-	(112)	(112)
Proceeds from sale of property, plant and equipment	-	11	47
Purchase of property, plant and equipment	(161)	(123)	(408)
Development costs capitalised	-	-	(70)
Interest received	48	39	85
<b>Net cash (used in) / from investing activities</b>	<b>(113)</b>	<b>(185)</b>	<b>(458)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(525)	(482)	(720)
Purchase of own shares	(78) <sup>1</sup>	-	(104)
<b>Net cash used in financing activities</b>	<b>(603)</b>	<b>(482)</b>	<b>(824)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>147</b>	<b>69</b>	<b>2,621</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,928</b>	<b>10,506</b>	<b>10,506</b>
Exchange adjustments on cash and cash equivalents	(30)	(168)	(199)
<b>Cash and cash equivalents at end of period</b>	<b>13,045</b>	<b>10,407</b>	<b>12,928</b>

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

## **Board of Directors**

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

David Dewhurst, B.Sc.(Eng.)

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

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

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

Non-executive

John Bailey

Non-executive

## **Registered and Head Office**

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## **Overseas representation:**

The Group maintains overseas representation in major countries throughout the world

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