ANNUAL REPORT & ACCOUNTS 2022

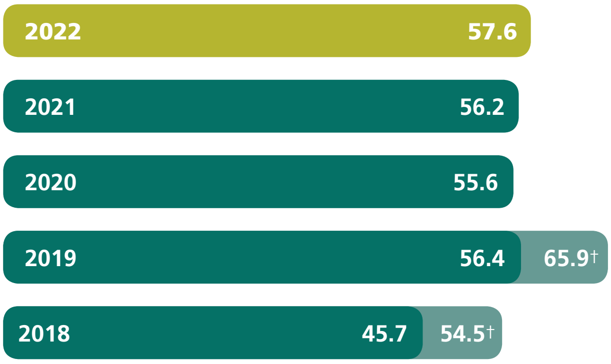
Evolving our Group

DEWHURST GROUP

Maintaining growing sales

£57.6m

Revenue £ million

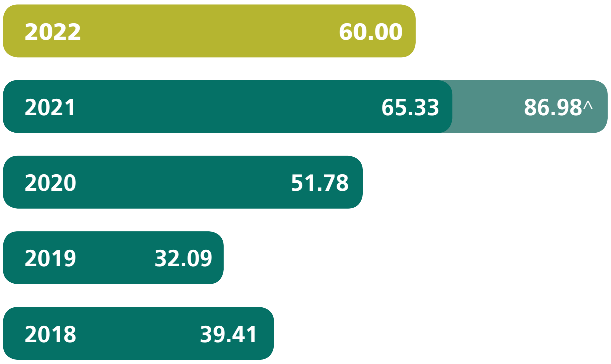


£8.8m

Operating profit* £ million

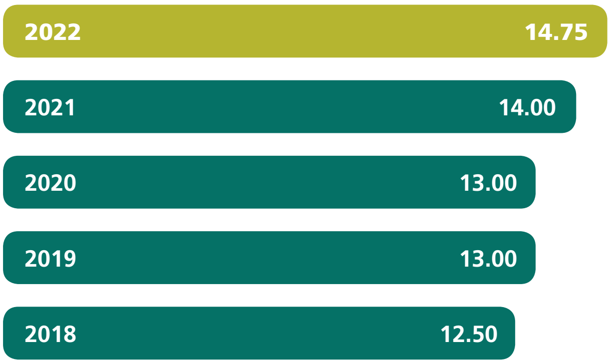
60.00p

Earnings per share Pence



14.75p

Dividend per share Pence



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

† Total including discontinued operations

^ Total including gain arising on the disposal of old premises at Dupar Controls Inc.

Planning our succession

Richard Dewhurst
Non-executive Chairman

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

Senior management transition
From 1 October 2022, John Bailey took on the CEO role and will continue to be supported by David Dewhurst as strategic advisor.

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 1 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.

Our continuing profitability and strong balance sheet enable an increased dividend

Our global reach

SALES BY REGION

24%	40%	36%
NORTH AMERICA	UK, EUROPE & MIDDLE EAST	AUSTRALIA & ASIA

EMPLOYEES BY REGION

67	177	97
NORTH AMERICA	UK & EUROPE	AUSTRALIA & ASIA

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

NORTH AMERICA

Dupar Controls Inc.

dupar controls

Elevator Research Manufacturing Corp.

ERM

UK & EUROPE

Dewhurst Ltd

dewhurst

A&A Electrical Distributors Ltd

A&A LIFT | ELECTRICAL

Traffic Management Products Ltd

TMP

Dewhurst (Hungary) Kft

dewhurst

AUSTRALIA & ASIA

P&R Liftcars Pty Ltd

P&R liftcars

Australian Lift Components Pty Ltd

Australian lift components

Lift Material Australia Pty Ltd

lift material

Dual Engraving Pty Ltd

dual

Dewhurst (Hong Kong) Ltd

dewhurst

Strengthening our business

David Dewhurst
Group Managing Director

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 on page 2.

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 on page 16. 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

Train Dispatch Equipment Unit (TDEU)
This has been designed to create a standard approach for train dispatch staff by bringing together the Train Ready To Start control unit and the Dispatcher Indicator Unit in one convenient and easy to use system.

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

Investing in IT to reduce the impact of malicious attacks

Contributing to the Elizabeth Line
Dewhurst were selected to supply pushbuttons and lift position indicators for the Elizabeth Line. The classic square-shaped US96-EN Jumbo pushbutton was chosen, maintaining a consistent identity.

Our NonCrete Bio Polymer bollard won the Green Apple Environment Award

Evo-Max Traffic Bollard
The Evo-Max is a non-illuminated retro-reflective self-righting bollard designed to deliver maximum visibility at any angle. Ideal for road junctions and locations requiring greater lateral visibility day and night.

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 focussed 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 a industry leading offering.

Strong presence at LIFTEX
A&A and Dewhurst exhibited together at Excel which saw record attendance and allowed us to engage in person again with our customers.

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)

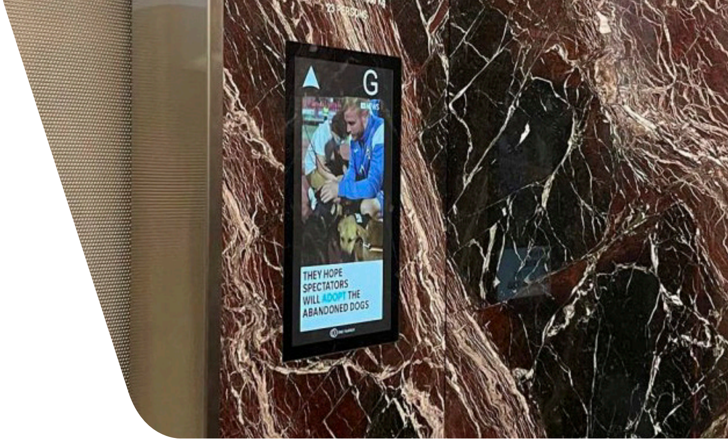
In line with ALC, P&R have experienced a reduction of new projects in Sydney, which is their primary market. This has led to a considerable fall in both sales and profits.

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

A&A's LED Shaft Lighting
LED Shaft lighting helps to provide a well illuminated working zone for engineers, while still reducing energy usage.



One Farrer Place Lift interior
P&R designed and installed the top end equipment and finishes in the lift cars for One Farrer Place. This premium office complex has two landmark towers and is located in the heart of Sydney's financial district.

Chevron Tower Elizabeth Quay
Dual provided door entrances and lift interiors for this 29 floor tower. The building will house Chevron's Perth headquarters and has spectacular views over the Swan River and Central Perth.

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.

Delivering these results in the face of stiff challenges is a credit to the team

PRINCIPAL RISKS AND UNCERTAINTIES

RISK	IMPACT	MITIGATION
Operational		
Cyber attack. The increased reliance on global IT systems and infrastructure means the chance of a repeat cyber attack has increased.	Inability to manufacture and deliver to customers leading to fall in sales and profits. Increased risk of staff personal data being exploited by criminals. Increased risk of a reduction in cash as hackers look use ransomware against the organisation.	Restrict the Group IT network structure so any attack is limited to one site. Ensure each business has enhanced cyber security including multi-factor authentication, active software patching and antivirus monitoring as well as holding secure and offsite back ups. Ensure each business has a manual operating process ready that can be applied as short notice. Ensure high levels of security for personal data.
Staff well-being, recruitment and retention.	Staff absence, high staff turnover, difficulty recruiting new staff.	Implement and apply IiP actions and consider flexible benefits and ESG impacts. HR to monitor via absence reporting. Review long-term incentive scheme.
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.
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 products. Our products are primarily human machine interfaces. These are subject to significant technological change at present. New ways of interacting with machines are constantly being developed. Also there is a trend towards electronic payments, which reduces the demand for cash and thus for cash machines.	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.
Financial		
inflationary pressures.	Increased materials and labour costs, reducing margins and profits.	Limit the duration of our quotes to customers. 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	With the lifting of Covid-19 travel restrictions, everywhere apart from China, the Group senior management have been able to visit all subsidiaries during the year except Hong Kong. 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 2022

EVENT/DECISION and stakeholders considered	CONSIDERATIONS, ACTIONS & IMPACT
Cyber attack Shareholders, potential investors and lenders, employees, operating companies, customers, suppliers, government, society.	• The Executive Board convened immediately and initiated a four element approach upon discovery of the cyber attack – **1** a business and operational continuity plan, **2** an IT system security review and recovery plan, **3** a staff and customer potential data breach plan and **4** a communications and information plan. • Businesses switched overnight to a manual system to ensure customer orders, manufacturing and deliveries could be maintained whilst our IT systems were recovered and restored. • IT specialists were engaged to identify the method of breach and strengthen our cyber security and IT infrastructure. • IT specialists in conjunction with inhouse IT staff were engaged to wipe, clean, and scan all IT hardware ready for the restored data. • Data security experts were engaged to monitor for data leaks and give staff peace of mind. • We recognised the great work that our staff have done to support the business and our customers during this challenging time.

EVENT/DECISION and stakeholders considered	CONSIDERATIONS, ACTIONS & IMPACT
Director role changes Shareholders, potential investors, employees and governments.	• With Richard Dewhurst and David Dewhurst starting to step back from day-to-day responsibilities, the Board considered John Bailey's development and appointment to CEO of Dewhurst Group on the 1 October 2022 as fundamental to ensure the future success of Dewhurst. • John Bailey is a strong and strategic leader whose people and customer centric focus combined with his commercial experience make him ideally suited to lead the growth of the business. • John will be supported by David Dewhurst in his new role of strategic advisor. • The Board felt the change in roles would bring a fresh and positive perspective to bear on issues of strategy, performance and staff development and would build further resilience into our businesses.
Supply chain resilience Employees, customers and suppliers.	• We continued our regular review of actions necessary resulting from delivery disruptions, base material increases and stock availability. • Additional stocks have been put in place at most businesses to partially mitigate these factors. • We have dual sourced some of our critical components to increase flexibility and resilience. • We have also assessed the contingency plans and readiness of suppliers and particularly our freight suppliers to achieve dependable deliveries.
Margin pressures & inflation Shareholders, potential investors, employees, customers and suppliers.	• We continually assess the effect component cost increases and inflation have on our margins. • Additional stocks have been put in place at most businesses to delay any price increases for as long as possible. • The Group has also absorbed cost increases and sought efficiency savings before looking to pass increases on to our customers.
Sustainability and the environment Shareholders, employees, customers, suppliers and society.	• The Board is monitoring and reporting its UK carbon footprint. This will be expanded to the rest of Group going forward. • We have recruited our ESG manager, who is driving change throughout the manufacturing business; a more detailed report can be found in the Sustainability section. • We are switching electric contracts on expiry to 100% carbon neutral sources, where we have the option, to reduce our carbon emissions and global warming. • We continue to expand our UK electric vehicle fleet and introduced an Electric Vehicle Salary Sacrifice scheme in the UK to further encourage staff. • We have installed a 207 kWp capacity solar panel system at Feltham which will hopefully supply c.30% of our Feltham site's annual electricity usage and should reduce our carbon footprint by 40 tonnes of CO2 annually.

The information provided in the Chairman's report, Review of operations, Principal risks and uncertainties, S172 Stakeholder compliance statement and the Financial review all form part of the requirement by CA2006 to be included in a Strategic report.

Stability and resilience

Jared Sinclair
Finance Director

Trading results

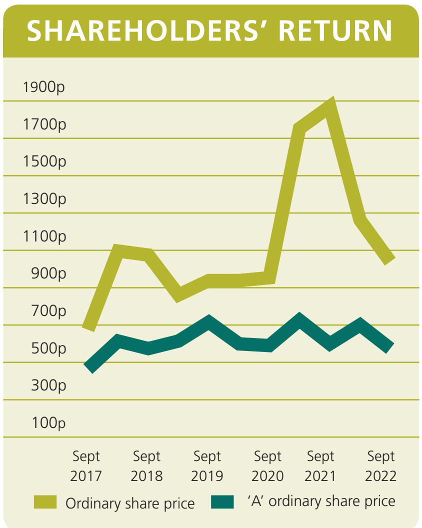
Despite the cyber attack in May 2022 forcing the Group to adapt over a weekend and revert to manual systems for around a month whilst our IT systems were restored, it is pleasing to report no significant impact on sales and the Group is still able to report record revenues. Customers were understanding 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

5.4% increase in dividend for the year



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).

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 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.

8 December 2022

GROUP FIVE YEAR REVIEW

Continuing operations	2018 £(000)	2019 £(000)	2020 £(000)	2021 £(000)	**2022 £(000)**
Revenue	45,730	56,446	55,617	56,249	**57,565**
Adjusted operating profit*	6,013	7,700	8,630	9,214	**8,818**
Profit before taxation	5,253	5,244	6,740	9,563	**7,169**
As a percentage of total equity	14.2%	12.3%	15.7%	18.1%	**11.7%**
Taxation	1,710	2,149	2,061	2,110	**2,051**
Profit after taxation	3,543	3,095	4,679	7,453	**5,118**
Total equity	37,008	42,680	42,826	52,731	**61,533**
ROTIC[1]	13.1%	12.5%	13.6%	13.4%	**11.6%**
EPS^	39.41p	32.09p	51.78p	86.98p	**60.00p**
Dividends per share	12.50p	13.00p	13.00p	14.00p	**14.75p**
Defective parts per million	1,525	1,932	1,085	1,026	**2,020**
On time delivery (%)	90%	90%	91%	90%	**86%**

* 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.

REPORT OF THE DIRECTORS

The Directors present their Annual Report on the affairs of the Group together with the financial statements and Auditor's report for the year ended 30 September 2022.

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.

A final dividend on the Ordinary and 'A' non-voting ordinary shares of 9.75p per share (2020: 9.25p) which amounted to £788k (2020: £748k) for the financial year ended 30 September 2021 was approved at the AGM held on 15 February 2022 and was paid on 23 February 2022 to members on the register at 21 January 2022.

Share repurchases

There have been no share purchases during the financial year.

Directors

The members of the Board during the year were:

Mr R M Dewhurst
(Non-executive Chairman)

Mr D Dewhurst
(Group Managing Director)

Mr J C Sinclair

Mr J Bailey

Mr P Tett
(Non-executive)
– resigned 31 December 2021

Ms S McErlain
(Non-executive)

Mr C Holroyd
(Non-executive)

The Directors retiring by rotation at this year's Annual General Meeting are Mr J C Sinclair and Mr J Bailey who, being eligible, offer themselves for re-election. The unexpired period of Mr J C Sinclair and Mr J Bailey'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 2022 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 2021.

	30 September 2022		30 September 2021	
	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**	**69,932**	419,595	69,932
Mr J C Sinclair	**1,000**	**–**	1,000	–
Mr J Bailey	**1,000**	**–**	1,000	–
Mr P Tett	**1,000**	**–**	1,000	–
Ms S McErlain	**–**	**2,586**	–	–
Mr C Holroyd	**100**	**6,649**	–	–

At 30 September 2022 and 30 September 2021 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' REMUNERATION

The remuneration of the Directors is shown below:

	Salary and fees £(000)	Bonus £(000)	Benefits in kind £(000)	Pension £(000)	**2022 Total £(000)**	2021 Total £(000)
Continuing operations						
Executive Directors:						
Mr R M Dewhurst	–	–	–	–	**–**	96
Mr D Dewhurst	128	94	3	–	**225**	250
Mr J C Sinclair	134	30	–	15	**179**	164
Mr J Bailey	163	53	2	2	**220**	206
Non-executive Directors:						
Mr R M Dewhurst	61	38	–	–	**99**	72
Mr P Tett (resigned 31 Dec 2021)	5	–	–	–	**5**	20
Ms S McErlain	30	–	–	–	**30**	10
Mr C Holroyd	30	–	–	–	**30**	10
	551	215	5	17	**788**	828

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

SUBSTANTIAL SHAREHOLDINGS

At 20 November 2022, 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).

Mrs V E Dewhurst	651,000	Mr J H Ridley	138,500
Fidelity NorthStar Fund	201,300	Mr I Scott	118,000
Mrs B Bruce	190,208	Interactive Investor Services Nominees Ltd	100,028

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)	228,066
Mrs V E Dewhurst	518,000	HSBC Global Custody Nominees (UK) Ltd	223,500
Interactive Investor Services Nominees Ltd	339,140	Mr J H Ridley	153,100
Montoya Investments Ltd (IOUAA acct)	287,000	Hargreaves Lansdown Nominees Ltd (HLNOM acct)	150,456

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 pages 20-24.

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 during this Covid-19 pandemic 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.

A resolution will be proposed at the Annual General Meeting to re-appoint Jeffreys Henry LLP as the Company's Auditors and to authorise the Directors to determine their 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 International Financial Reporting Standards as adopted by the European Union ("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

8 December 2022

A platform for change

INTRODUCTION FROM THE CHAIRMAN

At Dewhurst Group, we are committed to improving sustainability. We have a responsibility to limit our impact on the environment, protect our people and safeguard our stakeholders and we consider these impacts in everything we do.

We look to the values of the Group to guide the development of our ESG Strategy. We have always sought to operate with integrity, to minimise waste and to learn and improve every year. Our priority as a responsible business, is to aim to embed sustainability into every aspect of our business operations from our supply chains through to the communities in which we operate. Our strategy is underpinned with a robust corporate governance approach and our heritage of over 100 years of business.

This year we have been focused on understanding our current position and establishing a foundation, in order to set meaningful achievable targets and commitments going forwards. I very much look forward to reporting on our progress next year.

ENVIRONMENT

At Dewhurst Group, we aim to minimise the environmental impact within our operations and supply chain and to be a recognised industry leader in environmental initiatives. We will educate our employees and stakeholders to ensure we are as effective as possible in our business processes, to increase their awareness and change the way they think about the environment and sustainability, so that we are at the forefront of industry best practice.

By 2027 Dewhurst Group aim to reduce Scope 1 and Scope 2 carbon emissions by 50% compared to 2020. We have already seen a significant reduction through investing in green electricity, and we will continue to reduce our emissions through investing in on-site electricity generation, sourcing 100% green energy, and offsetting where emissions are unavoidable.

To achieve this, Dewhurst Group has improved its environmental management by reducing our energy consumption and greenhouse gas emissions. We have invested in renewable energy on-site where possible, implemented site specific initiatives such as investing in more energy-efficient equipment and electric vehicles for our staff, decreasing water consumption, reducing raw material consumption and waste, and reusing packaging materials.

EV charging points
We are encouraging the switch to electric vehicles with vehicle charging points installed at our UK sites.

Highlights

- 84% of the electricity currently used in the Group's European operations is supplied by green electricity providers.
- More than 200 kg of plastic granules reused in our injection moulding processes annually.
- TMP's fully recyclable NonCrete Bio-Polymer bollard won the 2022 Green Apple Environment award for 'Helping the Environment'.
- 207 kWp capacity solar panels installed at our Feltham site in October 2022, in addition to 60 kWp solar panels already installed at Dual Engraving in Perth, Australia.
- Water consumption reduced by 24% at our Feltham site between 2019 and 2021.
- More than 300 kg of packaging materials reused and circulated between our subsidiaries annually.
- Over 210,000 litres of water saved annually through collection of rainwater for toilet flushing at our Feltham site.
- New eco range of environmental products launched at A&A, such as our Shaftpak™ Evo range of energy-efficient LED luminaires and fully recyclable Ecobox solution for oil packaging, to join our cycle delineators from TMP which are used extensively across the UK to promote cleaner and safer travel.
- Natural gas consumption at our Feltham site reduced by 56% in the year to 30 September 2022 due to improved energy efficiency in production.

Priorities

- Switch non-green electricity contracts in the UK to green contracts by 31 December 2022 and

25% reduction in scope 1 & 2 greenhouse gas emissions over two years

Solar panels at Feltham site

207 kWp capacity solar panels installed in October to generate one-third of on-site electricity requirements.

become zero carbon in Scope 2 emissions.

- Move to fully recyclable packaging in all our UK companies by 2025.
- Continue to reuse raw materials in manufacturing processes where we can, to reduce the total inputs and waste generated.
- Continue to develop environmentally sustainable products through our circular economy mindset of cradle to cradle.
- Expand our environmental measurements to all overseas subsidiaries in 2023. These include hazardous and non-hazardous waste generation and water and energy consumption. We already measure these in our UK subsidiaries as part of our KPI monitoring and reporting.
- Educate all our employees on sustainability best practice.

Performance

The following table provides an overview of the energy performance in our UK companies in the last three fiscal years.

Our energy consumption reduced by 4% compared with 2020 and purchased green electricity increased by 35% in the last three years. 84% of electricity in our UK operations was sourced with green providers in 2022.

Our Scope 2 emissions accounted for 14% of total carbon emissions from Scope 1 and 2.

Carbon equivalent emissions from Scope 1 and Scope 2 activities have been reduced by 25% in total and 40% per sale in the last three years, a large part of which is due to our move to green energy. Our target is to reduce absolute emissions by 50% compared to 2020 and become carbon neutral by 2030 in Scope 1 and 2 emissions.

ENERGY CONSUMPTION MWh

	2020	2021	**2022**
Direct			
Heating & transport fuels	974	907	**866**
Indirect			
Purchased green electricity	537	647	**723**
Purchased non-green electricity	293	187	**137**
Total consumption	1,805	1,742	**1,726**

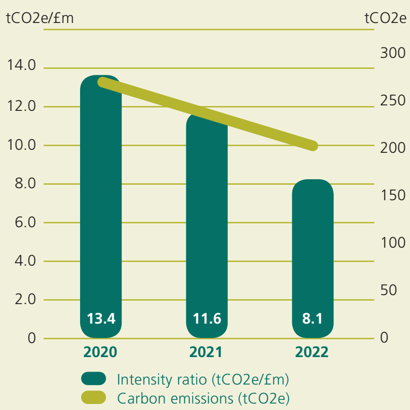
GREENHOUSE GAS EMISSIONS tCO_2E[1]

	2020	2021	**2022**
Scope 1 Direct emissions from operations			
Natural gas	112	122	**110**
Transport fuels	90	57	**62**
Cooling gasses	0	12	**0**
Total Scope 1	202	191	**172**
Scope 2 Indirect emissions from electricity consumption			
Market based*	62	38	**28**
Total consumption Scope 1 & 2 emissions	265	229	**200**

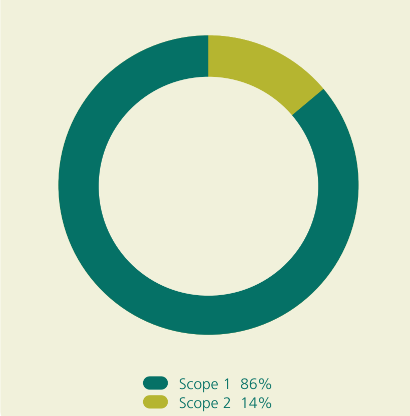
1 We have followed the UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance and the UK Government GHG Conversion Factors for Company Reporting for Dewhurst UK companies.

*Location-based; 2020:192, 2021:182, 2022:170

CARBON EMISSIONS TREND*



CARBON EMISSIONS



*The graph shows the trends based on market-based emissions calculations. Location-based intensity ratios are 2020:20, 2021:19 and 2022:14 for the UK Group companies with 31% reduction.

Charity cycle
A sizeable contingent of employees and customers completed the 250km cycle challenge from Leicester to Feltham in aid of the UK Lift Industry Charity.

44% employee engagement on Step Challenge

Step Challenge
Amazing Walker - Scott won the individual prize in the step challenge with a grand total of 1,450,000 steps recorded in one month.

34% of our employees globally are female in a wide range of office and production roles

PERFORMANCE	
Employee turnover	15%
Serious H&S incidents	0
Reduction in H&S incidents over last three years	20%
Employee engagement on Step Challenge	44%

SOCIAL

Our people strategy is centred around Dewhurst Group's values of honesty and integrity, and our aim is to create and maintain an environment where people are engaged and feel empowered, motivated, and fulfilled.

Diversity and inclusion

Dewhurst Group is committed to equality in terms of opportunity, where people are recruited to the positions which best suit their abilities. We want to foster a culture where everyone belongs and feels truly included, as we believe that through diversity and empowering our employees to share their different perspectives, we will make the Group stronger and more successful long-term.

We are committed to having a workplace which is free from discrimination, harassment and bullying and ensuring that all employees are treated with dignity and respect. Our Discrimination, Equality, Bullying and Harassment policies are promoted and publicised across the Group, and Dewhurst Ltd and TMP have been awarded silver accreditations from Investors in People.

One woman serves on our board of six, and women run three of our eleven subsidiary businesses. 34% of our employees globally are female, and we aim to continue to promote women to senior positions across the Group.

Health and safety

Our General Managers ("GMs") lead health and safety for their businesses, and they are supported by the Group quality team. Employees must undertake regular health and safety training, with further specific and refresher training organised dependent on role and length of employment.

The Group Board monitor and record all near-misses and incidents, investigate reasons why these took place, and put in place training and operational process changes where appropriate to ensure incidents do not happen again. We also take corrective actions according to our internal audit reports to prevent incidents. In 2023 we will implement a Group-wide health and safety policy, which will provide a comprehensive description of responsibilities for health and safety throughout the organisation.

We have updated our Coronavirus policy in each business in line with the UK Government's "Living with Covid" plan or the equivalent local government recommendations. Our priority is protecting the health and safety of our employees and encouraging people to always behave safely.

Wellbeing

The wellbeing of our staff is of paramount importance in maintaining an organisation with engaged, resilient and motivated employees. This not only includes physical health but also mental health.

Mental health

12 of our employees have been trained and appointed as mental health first aiders in the UK, and we encourage an "It's good to talk" approach with all employees across the Group. Employees can take advantage of dedicated independent mental health support via our healthcare benefits scheme, and we provide wellness rooms on site to further promote mental and physical wellbeing.

To reduce our environmental impact and support healthier lifestyles we encourage our employees to participate in the Cycle to Work Scheme.

Engagement

We are continuously listening to our employees to ensure that working conditions are in line with expectations. One example is that we are currently reviewing flexible working patterns within our manufacturing teams. All employees are encouraged to provide comments and feedback via forums such as Works Councils or one-to-ones with their line managers, and we will roll out a formal annual employee engagement survey in 2023.

GMs hold regular companywide meetings to ensure engagement with all staff, and our quarterly newsletter shares information and updates from around the Group. We hold an annual Forum located at one of our businesses for our senior management team to come together and discuss issues they are facing, share solutions and best practice, and for the Group Board to communicate the Group's strategy to the team.

Community

Dewhurst Group encourages volunteering to give back to our local communities. In April 2022, 148 of our employees from all over the world volunteered to compete in teams of four to walk the most steps over a month long Step Challenge. The aim was to raise money for the Hungarian Red Cross to help the refugee situation regarding the war in Ukraine. Dewhurst Group employees walked nearly 47 million steps and raised over £10,000.

We continue to work on events and initiatives as part of our drive to working with our local communities and achieving our social objectives.

Training and development

At Dewhurst Group our aim is to develop, reward and retain talent. We support a collaborative culture in which people are encouraged to come forward with ideas for their own regular development, and provide continuous learning and development opportunities to all employees for their professional growth.

Our performance management process includes identifying training needs for our people. This process includes regular one-to-ones and annual reviews to measure performance against documented objectives.

During the coming year we will enhance our Group apprenticeship programme, to take on more apprentices and invest in our local markets.

GOVERNANCE

The Board of Directors of Dewhurst Group plc 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 2022.

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 nine 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 Group Managing Director.

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 54 to 55.

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.

The Board and its Committees are committed to responsible governance

Richard Dewhurst BA (Eng Sc), ACMA
Non-executive Chairman
Age 66. Joined in 1985.
Previously with Ford Motor Co, Ernst & Whinney, Senior Management Consultant.

Committees: Remuneration (Chair)*

David Dewhurst BSc (Elec Eng)
Group Managing Director
Age 61, Joined in 1987.
Previously with Holmes & Marchant plc.

Jared Sinclair BSc, ACA
Finance Director and Company Secretary
Age 52. Joined in 1997.
Previously with Moores Rowland, Chartered Accountants, Audit Senior.

John Bailey
Managing Director
A&A Electrical Distributors Ltd
Age 52. Joined in 2008.
Previously with Brett Landscaping & Building Products, Commercial Director.

Susan McErlain BSc
Non-executive Director
Age 59. Joined in 2021.
Previously with Ultra Electronics Holdings plc, Director of Corporate Affairs.

Committees: Audit, Remuneration*

Charles Holroyd BSc (Elec Eng), MBA
Non-executive Director
Age 66. Joined in 2021.
Previously with Oxford Instruments plc, Director.

Committees: Audit, Remuneration*

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

Peter Tett, Non-executive Director, resigned on 31 December 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2022	Notes	**2022 £(000)**	2021 £(000)
Continuing operations			
Revenue	2	**57,565**	56,249
Operating costs	3	**(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	11	**–**	(1,111)
Operating profit		**7,296**	9,854
Finance income	5	**64**	20
Finance costs	6	**(191)**	(311)
Profit before taxation		**7,169**	9,563
Taxation	7	**(2,051)**	(2,110)
Profit for the period	8	**5,118**	7,453
Other comprehensive income:			
Actuarial gains/(losses) on the defined benefit pension scheme	21	**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	9	**60.00p**	86.98p
Basic and diluted earnings per share – continuing operations	9	**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.

The notes on pages 30–49 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022	Notes	2022 £(000)	2021 £(000)
Non-current assets			
Goodwill	10	**10,105**	9,626
Other intangibles	11	**19**	24
Property, plant and equipment	12	**19,147**	17,827
Right-of-use assets	22	**2,473**	2,802
Deferred tax asset	19	**118**	1,111
		31,862	31,390
Current assets			
Inventories	14	**7,931**	6,597
Trade and other receivables	15	**12,318**	10,008
Current tax asset		**281**	–
Cash and cash equivalents	16	**21,764**	20,463
		42,294	37,068
Total assets		**74,156**	68,458
Current liabilities			
Trade and other payables	17	**7,783**	7,571
Current tax liabilities		**–**	89
Short-term provisions	18	**344**	343
Lease liabilities	22	**505**	450
		8,632	8,453
Non-current liabilities			
Retirement benefit obligation	21	**1,798**	4,737
Lease liabilities	22	**2,193**	2,537
Total liabilities		**12,623**	15,727
Net assets		**61,533**	52,731
Equity			
Share capital	20	**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

The notes on pages 30–49 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022	Share capital account £(000)	Share premium reserve £(000)	Capital redemption £(000)	Translation reserve £(000)	Retained earnings interests £(000)	Non controlling £(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 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**

The notes on pages 30–49 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2022 Continuing operations	Notes	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	22	**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	9	**(1,494)**	(1,355)
Repayment of lease liabilities including interest	22	**(584)**	(562)
(Repayment)/Proceeds from bank borrowings	24	**–**	(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	16	**20,463**	18,139
Exchange adjustments on cash and cash equivalents		**787**	(170)
Cash and cash equivalents at end of year	16	**21,764**	20,463

The notes on pages 30–49 form part of these 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 International Financial Reporting Standards (IFRS) 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.

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 2022, 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 the Covid-19 pandemic. 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

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 six 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 2022 fair value calculation to be the 2022 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 2022 £(000)	Revenue 2021 £(000)	Operating profit 2022 £(000)	Operating profit 2021 £(000)
United Kingdom	**19,590**	19,693	**1,266**	1,501
Europe	**5,087**	5,785	**356**	281
The Americas	**15,854**	13,557	**2,024**	3,568
Asia & Australia	**22,060**	21,624	**3,645**	4,465
Other	**41**	243	**5**	39
	62,632	60,902	**7,296**	9,854
Inter-company sales	**(5,067)**	(4,653)		
Finance income/(costs)			**(127)**	(291)
Consolidated revenue/profit before tax for the year	**57,565**	56,249	**7,169**	9,563

	Assets 2022 £(000)	Assets 2021 £(000)	Liabilities 2022 £(000)	Liabilities 2021 £(000)
United Kingdom	**24,261**	24,036	**4,830**	6,508
Europe	**5,015**	5,516	**1,081**	1,546
The Americas	**19,863**	16,018	**2,300**	2,444
Asia & Australia	**24,935**	22,761	**4,400**	5,045
Other	**82**	127	**12**	184
Consolidated assets/liabilities for the year	**74,156**	68,458	**12,623**	15,727

	Capital additions 2022 £(000)	Capital additions 2021 £(000)	Depreciation and amortisation 2022 £(000)	Depreciation and amortisation 2021 £(000)
United Kingdom	**349**	228	**559**	1,651
Europe	**74**	46	**76**	113
The Americas	**275**	1,383	**283**	222
Asia & Australia	**168**	898	**640**	610
Other	**1**	8	**1**	8
Total Group	**867**	2,563	**1,559**	2,604

The secondary segmental reporting is by the following business sectors:

Sector	Revenue 2022 £(000)	Revenue 2021 £(000)
Lift	**52,647**	50,936
Transport	**4,144**	4,947
Keypad	**5,841**	5,019
	62,632	60,902
Inter-company sales	**(5,067)**	(4,653)
	57,565	56,249

NOTE 2 SEGMENT REPORTING CONTINUED

For the year ended 30 September 2022	Assets 2022 £(000)	Assets 2021 £(000)	Capital additions 2022 £(000)	Capital additions 2021 £(000)
Lift	**65,802**	61,112	**689**	2,448
Transport	**4,109**	3,460	**126**	90
Keypad	**4,245**	3,886	**52**	25
Total Group	**74,156**	68,458	**867**	2,563

The Group has one major customer who accounts for £4.5 million (2021: £4.6 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

	2022 £(000)	2021 £(000)
Movement in inventory obsolescence provision	**260**	429
Cost of inventories recognised as an expense	**26,427**	24,487
Staff costs (see note 4)	**16,323**	16,404
Depreciation	**1,037**	985
Impairment	**–**	202
Amortisation	**13**	1,130
Right-of-use asset depreciation	**509**	489
Foreign exchange differences	**(83)**	50
Cyber attack remediation costs	**1,522**	–
Profit on sale of Dupar's old building	**–**	(1,751)
Other operating charges	**4,261**	3,970
Operating costs	**50,269**	46,395

Other operating charges include a gain on sale of property, plant and equipment £13k (2021: gain of £1,774k) and auditor's remuneration are detailed below. Expenditure on research and development was £364k (2021: £440k).

Auditor's remuneration:

Amounts paid to Jeffreys Henry LLP	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Statutory audit services	**84**	77	**34**	35
Amounts paid to BDO LLP				
Pension audit services	**12**	11	**12**	11
Taxation compliance services	**16**	15	**5**	4
Other taxation advisory services	**35**	21	**35**	21
	63	47	**52**	36
	147	124	**86**	71

NOTE 4 STAFF COSTS AND INFORMATION REGARDING EMPLOYEES

Costs during the year were as follows:

	The Group		The Company	
	2022 £(000)	2021 £(000)	**2022 £(000)**	2021 £(000)
Wages and salaries	**14,573**	14,619	**826**	653
Social security costs	**927**	942	**98**	79
Pension costs – GMP equalisation	**–**	19	**–**	19
Pension costs – Other (see note 21)	**823**	824	**53**	67
	16,323	16,404	**977**	818

The Group has utilised government support measures in the geographies in which it operates, including employee furlough schemes and job keeper schemes. The total UK, Hong Kong, Hungarian, Canadian and Australian government grant income recognised in the year in relation to these schemes was £0.3 million (2021: £0.2 million). These grants have been deducted against the related wage and salary costs. There are no unfulfilled conditions or contingencies attached to these grants.

The average number of employees during the year was:

	The Group		The Company	
	2022 No.	2021 No.	**2022 No.**	2021 No.
Office and management	**136**	137	**10**	7
Manufacturing	**205**	203	**–**	–
	341	340	**10**	7

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:

	2022 £(000)	2021 £(000)
Emoluments - Executive Directors	**607**	702
Emoluments - Non-executive Directors	**164**	112
	771	814

Two Directors also received pension payments into their defined contribution schemes totalling £17k (2021: £14k).

The emoluments of the Directors are reported on page 18 of the Report of the Directors and the remuneration of the highest paid Director during the year was £225k (2021: £250k). The highest paid Director, under the defined benefit scheme has accrued pension of £166k (2021: £159k) and a transfer value of £1,986k (2021: £2,580k).

NOTE 5 FINANCE INCOME

	2022 £(000)	2021 £(000)
Bank deposit interest	**64**	20

NOTE 6 FINANCE COSTS

	2022 £(000)	2021 £(000)
Interest payable on bank overdraft and loans	**(1)**	(25)
Interest payable on lease liabilities	**(105)**	(116)
Net costs on defined benefit pension scheme (note 21)	**(85)**	(170)
	(191)	(311)

NOTE 7 TAXATION

Current tax	2022 £(000)	2021 £(000)
UK corporation tax at 19.0% (2021: 19.0%)	**245**	593
Adjustment on prior years tax	**(59)**	(26)
Overseas taxation	**1,364**	1,385
	1,550	1,952
Deferred tax		
Origination and reversal of temporary differences	**501**	158
Tax expense in the income statement	**2,051**	2,110

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

	2022 £(000)	2021 £(000)
Profit before tax	**7,169**	9,563
Standard rate ofcorporation tax in the UK	**19.0%**	19.0%
Effects of:		
Adjustments in respect of prior years	**(0.5%)**	(0.3%)
Different rate of tax on overseas earnings	**6.1%**	4.6%
Additional reduction for R&D expenditure	**(0.9%)**	(0.5%)
Expenses not deductible for tax purposes	**0.7%**	2.8%
Other permanent differences	**(0.1%)**	(0.1%)
Tax charged to other comprehensive income	**2.8%**	2.4%
Movement in deferred tax rates	**(1.1%)**	(6.8%)
Deferred tax not recognised	**2.6%**	1.0%
Effective tax rate for the year	**28.6%**	22.1%

NOTE 8 PROFIT FOR THE FINANCIAL YEAR

The parent company made a profit after tax for the financial year of £2,407k (2021: £4,954k), 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	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.

NOTE 10 GOODWILL

		The Group
	2022 £(000)	2021 £(000)
Cost or valuation:		
At 1 October	**16,290**	16,515
Exchange adjustment	**954**	(225)
Additions on acquisition of subsidiaries	**–**	–
At 30 September	**17,244**	16,290
Impairment:		
At 1 October	**6,664**	6,772
Exchange adjustment	**475**	(108)
At 30 September	**7,139**	6,664
Net book value:		
At 30 September 2022	**10,105**	9,626
At 30 September 2021	9,626	9,743

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 - £1,234k (2021: £1,108k), Lift Material Australia Pty Ltd acquired in July 2005 - £879k (2021: £789k), Dual Engraving Pty Ltd acquired in February 2013 - £1,372k (2021: £1,232k), P&R Liftcars Pty Ltd acquired in January 2017 - £1,200k (2021: £1,077k) and one in the UK, A&A Electrical Distributors Ltd acquired in June 2018 - £5,420k (2021: £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 2022 are based on 2022 EBITDA profits multiplied by an externally derived private company price index (PCPI). The goodwill impairment charge that arose during the current year is nil (2021: 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

	2022 Acquired intangibles £(000)	2022 Other £(000)	2022 Total £(000)	2021 Acquired intangibles £(000)	2021 Other £(000)	The Group 2021 Total £(000)
Cost or valuation:						
At 1 October	**5,859**	**637**	**6,496**	5,883	624	6,507
Exchange adjustment	**98**	**9**	**107**	(24)	(2)	(26)
Additions	**–**	**5**	**5**	–	15	15
Disposals	**–**	**–**	**–**	–	–	–
At 30 September	**5,957**	**651**	**6,608**	5,859	637	6,496
Amortisation:						
At 1 October	**5,859**	**613**	**6,472**	4,772	596	5,368
Exchange adjustment	**98**	**6**	**104**	(24)	(2)	(26)
Charge for the year	**–**	**13**	**13**	1,111	19	1,130
Disposals	**–**	**–**	**–**	–	–	–
At 30 September	**5,957**	**632**	**6,589**	5,859	613	6,472
Net book value:						
At 30 September 2022	**–**	**19**	**19**	**–**	**24**	**24**
At 30 September 2021	–	24	24	1,111	28	1,139

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

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

	Property £(000)	Plant and equipment £(000)	The Group Total £(000)	Property £(000)	Plant and equipment £(000)	The Company Total £(000)
Cost or valuation:						
At 30 September 2020	16,389	9,851	26,240	6,197	266	6,463
Exchange adjustment	(75)	(95)	(170)	–	–	–
Additions	1,146	1,354	2,500	–	–	–
Disposals	(760)	(632)	(1,392)	(26)	(81)	(107)
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**	**6,171**	**302**	**6,473**
Depreciation:						
At 30 September 2020	2,226	7,067	9,293	1,115	169	1,284
Exchange adjustment	(21)	(64)	(85)	–	–	–
Charge for the year	224	761	985	103	28	131
Impairment charge for the year	–	202	202	–	–	–
Disposals	(456)	(588)	(1,044)	(24)	(81)	(105)
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**
Net book value:						
At 30 September 2022	**15,891**	**3,256**	**19,147**	**4,904**	**165**	**5,069**
At 30 September 2021	14,727	3,100	17,827	4,977	69	5,046
At 1 October 2020	14,163	2,784	16,947	5,082	97	5,179

Capital commitments contracted by the Group at 30 September 2022 for property, plant and equipment amounted to £173k (2021: £285k) and by the Company is £39k (2021: nil).

NOTE 13 NVESTMENTS – SHARES IN SUBSIDIARY UNDERTAKINGS

The Company Investments (Ordinary shares) are:	2022 £(000)	2021 £(000)
Cost	**22,354**	22,354
Provision for impairment	**(7,002)**	(7,002)
	15,352	15,352

Investments in subsidiary undertakings are:	2022 £(000)	2021 £ (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
	15,352	15,352

The Company has eleven 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 and Dewhurst (Hong Kong) Ltd registered and principally operating in Hong Kong. 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 and Dewhurst UK Ltd.

NOTE 14 INVENTORIES

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Raw materials and components	**2,191**	1,234	**–**	–
Work-in-progress	**793**	643	**–**	–
Finished goods and goods for re-sale	**4,947**	4,720	**–**	–
	7,931	6,597	**–**	–

Inventory above is shown net after an obsolete impairment provision of £1,597k (2021: £1,337k). There is no material difference between the replacement cost of inventories and the amounts stated above.

NOTE 15 TRADE AND OTHER RECEIVABLES

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Trade receivables	**11,839**	9,619	**25**	3
Amounts due from subsidiary undertakings (note 23)	**–**	–	**8**	2
Other receivables	**–**	–	**78**	10
Prepayments and accrued income	**479**	389	**21**	42
	12,318	10,008	**132**	57

Trade receivables which relate solely to contracts with customers are shown net of provision for impairment. As a result of the perceived risks declining from Covid-19 the Group released its provision for impairment by £200k down to nil (2021: £200k). The movements in the provision for impairment of trade receivables were as follows:

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
At 1 October	**349**	396	**–**	–
Charge for the year	**(83)**	(50)	**–**	–
Foreign exchange	**22**	(4)	**–**	–
Costs recovered/(incurred)	**(21)**	7	**–**	–
At 30 September	**267**	349	**–**	–

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 2022	**11,839**	**8,907**	**1,850**	**613**	**469**
As at 30 September 2021	9,619	8,146	873	600	–

These receivables are of good credit quality.

NOTE 16 CASH AND CASH EQUIVALENTS

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Cash	**11,264**	11,963	**652**	2,081
Short-term deposits	**10,500**	8,500	**10,500**	8,500
	21,764	20,463	**11,152**	10,581

NOTE 17 TRADE AND OTHER PAYABLES

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Trade payables	**2,207**	2,232	**95**	5
Other taxes and social security costs	**784**	1,051	**33**	19
Other payables	**233**	272	**27**	114
Accruals and deferred income	**4,559**	4,016	**379**	390
	7,783	7,571	**534**	528

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

NOTE 18 SHORT-TERM PROVISIONS

	The Group 2022 £(000)	The Group 2021 £(000)	The Company 2022 £(000)	The Company 2021 £(000)
Warranty provisions	**344**	343	**–**	–

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 £27k (2021: £25k). Amounts utilised by the Group in the year were £25k (2021: £22k). There were no amounts charged or utilised this year or last year by the Company.

NOTE 19 DEFERRED TAXATION

Deferred tax asset:	2022 £(000)	The Group 2021 £(000)	2022 £(000)	The Company 2021 £(000)
At 1 October	**1,111**	2,621	**1,184**	2,141
Transfer directly (to)/from other comprehensive income	**(472)**	(1,336)	**(472)**	(1,336)
Foreign exchange on deferred tax	**(20)**	(16)	**–**	–
Transfer (to)/from income statement	**(501)**	(158)	**(460)**	379
At 30 September	**118**	1,111	**252**	1,184

Deferred tax at 30 September relates to the following:	2022 £(000)	The Group 2021 £(000)	2022 £(000)	The Company 2021 £(000)
Defined benefit pension scheme	**450**	1,184	**450**	1,184
Provisions	**(332)**	(73)	**(198)**	–
Deferred tax asset	**118**	1,111	**252**	1,184

NOTE 20 SHARE CAPITAL

Authorised:		2022 £(000)	2021 £(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:		2022 £(000)	2021 £(000)
Shares of 10p each	– 3,309,200 (2021: 3,309,200) Ordinary	**331**	331
	– 4,772,198 (2021: 4,772,198) 'A' non-voting ordinary	**477**	477
		808	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 £823k (2021: £843k). All, apart from nil (2021: £19k) relating to defined benefit pension scheme GMP equalisation and £25k (2021: £36k) 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 £799k (2021: £788k). There was an accrued charge of £18k at the end of the reporting period in respect of the defined benefit scheme (2021: £19k). 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 £1,170k into the defined benefit scheme (2021: £1,404k) 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 18 years and payments from the scheme assets are made on a monthly basis.

Assumptions

The following actuarial assumptions, updated to 30 September 2022 by the scheme actuary and taking account of Covid-19, have been used in preparing the disclosures required under IAS 19:

		2022	2021
Retail price index expected to rise by		**3.65%**	3.45%
Pensionable salaries will increase by		**n/a**	n/a
Deferred pensions and pensions in payment will increase by		**3.65%**	3.45%
Liabilities discounted at a rate of		**5.25%**	2.05%
Expected return on pension scheme assets		**5.25%**	2.05%
Expected lifetime for a member retiring at the accounting date	– for males	**22.4 yrs**	21.9 yrs
	– for females	**24.9 yrs**	23.9 yrs
Future expected lifetime for a member retiring in 20 years' time	– for males	**23.7 yrs**	23.2 yrs
	– for females	**26.3 yrs**	25.4 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 0.1%	Decrease/increase by 6.4%
Rate of inflation (RPI)	Increase/decrease by 0.1%	Increase/decrease by 2.7%
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by 2.7%

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 2022 £(000)	Fair value at 30 Sept 2021 £(000)	Fair value at 30 Sept 2020 £(000)
Equities	**21,819**	38,246	35,157
Bonds	**9,732**	9,247	7,150
Other	**1,839**	1,335	3,482
Total fair value of scheme assets	**33,390**	48,828	45,789
Present value of scheme liabilities	**(35,188)**	(53,565)	(57,057)
Scheme deficit	**(1,798)**	(4,737)	(11,268)
Related deferred tax asset	**450**	1,184	2,141
Net pension liability	**(1,348)**	(3,553)	(9,127)

The amounts charged to operating profit in relation to current service costs (GMP Equalisation) are nil (2021: £19k and 2020: nil).

Amounts charged to other finance costs:

	2022 £(000)	2021 £(000)	2020 £(000)
Interest on pension scheme assets	**1,002**	730	792
Interest on pension scheme liabilities	**(1,087)**	(900)	(970)
Net benefit/(cost)	**(85)**	(170)	(178)

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

	2022 £(000)	2021 £(000)	2020 £(000)
Experience gains and losses arising on the scheme assets	**(16,506)**	2,588	754
Experience gains and losses arising on the scheme liabilities	**(336)**	54	133
Changes in assumptions underlying the present value of the scheme liabilities	**18,729**	2,702	(2,773)
Actuarial gains/(losses) recognised in SOCI	**1,887**	5,344	(1,886)

History of experience gains and losses:

	2022 £(000)	2021 £(000)	2020 £(000)
Experience gains and losses arising on the scheme assets	**(16,506)**	2,588	754
Percentage of scheme assets	**(49.4%)**	5.3%	1.6%
Experience gains and losses on scheme liabilities	**(336)**	54	133
Percentage of the present value of scheme liabilities	**1.0%**	(0.1%)	(0.2%)
Total amount recognised in SOCI	**1,887**	5,344	(1,886)
Percentage of the present value of scheme liabilities	**(5.4%)**	(10.0%)	3.3%

NOTE 21 RETIREMENT BENEFIT OBLIGATION CONTINUED

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

	2022 Assets £(000)	2022 Liabilities £(000)	2022 Total £(000)	2021 Total £(000)	2020 Total £(000)
Deficit in scheme at 1 October	**48,828**	**(53,565)**	**(4,737)**	(11,268)	(10,570)
Movement in the year:					
Benefits paid	**(1,071)**	**1,071**	**–**	–	–
Contributions	**1,170**	**–**	**1,170**	1,404	1,404
Administration charge	**(33)**	**–**	**(33)**	(28)	(38)
Current Service Costs (GMP equalisation)	**–**	**–**	**–**	(19)	–
Other finance costs	**1,002**	**(1,087)**	**(85)**	(170)	(178)
Actuarial gains/(losses)	**(16,506)**	**18,393**	**1,887**	5,344	(1,886)
Deficit in scheme at 30 September	**33,390**	**(35,188)**	**(1,798)**	(4,737)	(11,268)

Included in retained earnings is £11,037k (2021: £12,924k) 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)	2022 Total £(000)	Property £(000)	Plant and equipment £(000)	2021 Total £(000)
Cost or valuation:						
At 30 September 2021	**3,566**	**65**	**3,631**	3,573	53	3,626
Exchange adjustment	**154**	**–**	**154**	(37)	–	(37)
Additions	**5**	**68**	**73**	30	18	48
Disposals	**(7)**	**(15)**	**(22)**	–	(6)	(6)
At 30 September 2022	**3,718**	**118**	**3,836**	3,566	65	3,631
Depreciation:						
At 30 September 2021	**796**	**33**	**829**	333	20	353
Exchange adjustment	**47**	**–**	**47**	(7)	–	(7)
Charge for the year	**474**	**35**	**509**	470	19	489
Disposals	**(7)**	**(15)**	**(22)**	–	(6)	(6)
At 30 September 2022	**1,310**	**53**	**1,363**	796	33	829
Net book value:						
At 30 September 2022	**2,408**	**65**	**2,473**	2,770	32	2,802
At 30 September 2021	2,770	32	2,802	3,240	33	3,273

Lease liabilities	2022 £(000)	2021 £(000)
Cost or valuation:		
At 30 September 2021	**2,987**	3,416
Exchange adjustment	**116**	(31)
Additions	**74**	48
Interest	**105**	116
Repayments	**(584)**	(562)
At 30 September 2022	**2,698**	2,987
Of which:		
Current lease liabilities	**505**	450
Non-current lease liabilities	**2,193**	2,537
	2,698	2,987

Of the non-current lease liabilities £1,983k falls due in the next 2 to 5 years (2021: £1,954k) and £210k after 5 years (2021: £583k). Other operating charges include short-term leases paid and expensed on a straight-line basis of £205k (2021: £204k).

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	2022 £(000)	2021 £(000)
Management charges to subsidiaries	**1,354**	1,189
Rent charges to subsidiaries	**150**	150
Interest income received	**8**	11
Expected credit gains/(losses) charged to income statement	**100**	214
Dividend income received	**4,258**	4,552
Dividends paid to Directors	**159**	150
Loans and trade receivables due	**408**	502

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 15. 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 £3.9 million (2021: £4.1 million) and the Santander bank £10.8 million (2021: £10.2 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 5.5%
Group Profit	Weaken/strengthen by 10%	Increase/decrease by 6.6%
Group Net Assets	Weaken/strengthen by 10%	Increase/decrease by 4.2%

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 2022	**6,853**	**6,465**	**–**	**388**
As at 30 September 2021	6,452	6,112	–	340

Currency and interest rate exposure of financial assets and liabilities

The cash and cash equivalent amount of £21,764k (2021: £20,463k) is made up of cash of £11,264k (2021: £11,963k) and short-term deposits of £10,500k (2021: £8,500k). The cash was invested at overnight rates based on the relevant national LIBOR. Of the cash, £14,475k (2021: £14,144k) is denominated in GB Pounds with the balance of £7,289k (2021: £6,319k) held in foreign currencies. Other financial assets and liabilities do not attract interest.

	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	5,644	8,500	2,933	1,088	2,081	8,500	3	5
AUS Dollars	4,409	–	3,054	484	–	–	–	–
US Dollars	1,034	–	1,663	290	–	–	–	–
CAN Dollars	502	–	1,736	84	–	–	–	–
Other	374	–	233	286	–	–	–	–
At 30 September 2021	11,963	8,500	9,619	2,232	2,081	8,500	3	5
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**

The only operations that hold material monetary assets and liabilities in currencies other than their functional currency are Traffic Management Products Ltd (TMP), Dupar Controls Inc and Dewhurst (Hungary) Kft. TMP holds trade payables denominated in US Dollars with a balance of £39k (2021: nil), Dupar holds trade receivables denominated in US Dollars with a balance of £457k (2021: £210k), Dewhurst (Hungary) Kft holds trade receivables denominated in US Dollars with a balance of £626k (2021: £1,185k) and trade payables denominated in Euros with a balance of £81k (2021: £109k).

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 (2021: 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 (2021: nil).

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Retained earnings £(000)	Total equity £(000)
At 30 September 2020	808	157	329	17,790	19,084
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	5,344	5,344
Deferred tax effect	–	–	–	(1,336)	(1,336)
Dividends paid	–	–	–	(1,091)	(1,091)
Profit for the year	–	–	–	4,954	4,954
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**

The notes on pages 30–49 form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

At 30 September 2022	Notes	2022 £(000)	2021 £(000)
Non-current assets			
Property, plant and equipment	12	**5,069**	5,046
Deferred tax asset	19	**252**	1,184
Investments in subsidiaries	13	**15,352**	15,352
		20,673	21,582
Current assets			
Trade and other receivables	15	**132**	57
Cash and cash equivalents	16	**11,152**	10,581
		11,284	10,638
Total assets		**31,957**	32,220
Current liabilities			
Trade and other payables	17	**534**	528
		534	528
Non-current liabilities			
Retirement benefit obligation	21	**1,798**	4,737
Total liabilities		**2,332**	5,265
Net assets		**29,625**	26,955
Equity			
Share capital	20	**808**	808
Share premium account		**157**	157
Capital redemption reserve		**329**	329
Retained earnings		**28,331**	25,661
Total equity		**29,625**	26,955

Retained earnings includes £2,407k (2021: £4,954k) 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 8 December 2022 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Finance Director

Company Registration Number: 160314

The notes on pages 30–49 form part of these financial statements

COMPANY CASH FLOW STATEMENT

For the year ended 30 September 2022	Notes	2022 £(000)	2021 £(000)
Cash flows from operating activities			
Operating profit/(loss)		**(1,368)**	167
Depreciation and amortisation		**94**	131
Contributions to pension scheme, net of administration fee & GMP equalisation		**(1,137)**	(1,357)
(Profit)/loss on disposal of property, plant and equipment		**–**	2
		(2,411)	(1,057)
(Increase)/decrease in trade and other receivables		**(75)**	8
Increase/(decrease) in trade and other payables		**6**	60
Cash generated from/(used in) operations		**(2,480)**	(989)
Income tax paid		**–**	–
Net cash from/(used in) operating activities		**(2,480)**	(989)
Cash flows from investing activities			
Acquisition of subsidiary undertaking		**–**	(649)
Purchase of property, plant and equipment		**(117)**	–
Interest received		**62**	26
Dividends received		**4,258**	4,552
Net cash generated from/(used in) investing activities		**4,203**	3,929
Cash flows from financing activities			
Dividends paid	9	**(1,152)**	(1,091)
Purchase of own shares		**–**	–
Net cash used in financing activities		**(1,152)**	(1,091)
Net increase/(decrease) in cash and cash equivalents		**571**	1,849
Cash and cash equivalents at beginning of year	16	**10,581**	8,732
	16	**11,152**	10,581

The notes on pages 30–49 form part of these financial statements

Independent Auditor's report to the members of Dewhurst Group plc for the year ended 30 September 2022.

Opinion

We have audited the financial statements of Dewhurst Group Plc (the 'Company') and its subsidiaries (the 'Group') for the period ended 30 September 2022 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 2022 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 director's 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.

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.

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 £57,565,000 for the year to 30 September 2022 (2021: £56,249,000) . 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 £7,931,000 (2021: 6,597,000) of inventory as at 30 September 2022. 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 (2021: £15,352,000). And the Group had Goodwill and Intangible assets of £10,124,000 (2021: £9,650,000). The Company has amounts due from Group companies of £8,000 (2021: £2,000). 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. There were no permitted adjustments to the goodwill figure but payments were made in the current and prior year due to an earn-out which was accrued for in the Goodwill balance. We have checked that any adjustment made passed through the income statement. 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.

Key audit matter	How our audit addressed the key audit matter
Cyber attack	
There is a risk that due to the cyber attack, accounting information was altered, added to or deleted.	Enquiries were made by group and component auditors to consider the risks relating to the integrity of the underlying data. Additional sampling of entries, around the time of the breach and circularisation's of debtors and creditors were performed. We have nothing to report in respect of this additional work.
Carrying value of the retirement benefit obligation and disclosures of retirement benefit obligations	
There is a risk that the retirement benefit obligation amounting to £1,798,000 (2021: £4,737,000) 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 £576,000 (30 September 2021: £562,000).	£300,000 (30 September 2021: £270,000).
How we determined it A benchmark of 1% of Turnover was used to determine the materiality for the Group (2021: 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.

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 £10,000 and £300,000.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £28,800 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 14 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 six 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 these non-significant components, 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.

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 19, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.

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

We were appointed by the board of directors on 9 July 2018 to audit the financial statements. Our total uninterrupted period of engagement is 5 years, covering the period ending 30 September 2022.

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.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent Company and we remain independent of the Group and the parent Company in conducting our 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
Jeffreys Henry LLP
(Statutory Auditors)
Finsgate
5–7 Cranwood Street
London EC1V 9EE

8 December 2022

NOTICE OF MEETING

Notice is hereby given that the one hundredth and third 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 14 February 2023 at 10.00 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 2022 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 20 January 2023.

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

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

5 To re-appoint Jeffreys Henry LLP 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 715,830 '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 2024 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 2022

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 10.00 am on 12 February 2023 (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 10.00 am on 12 February 2023 (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 will 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

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ADVISERS AND COMPANY INFORMATION

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Design: Gill Davies Associates

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