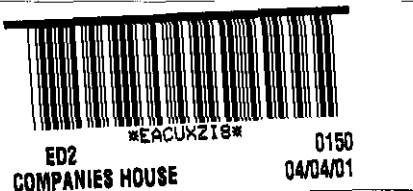


SEPARATOR SHEET

DEWHORSE PLC

160314



FINANCIAL REVIEW

RESULTS

Turnover increased by 9% from £19.9 million to £21.7 million. Operating profits increased by £190,000 from £1,805,000 to £1,995,000. Net interest earned fell from £80,000 to £10,000 as a result of the loan taken to finance the investment in Australian Lift Components (ALC).

CAPITAL INVESTMENTS

Additions to fixed assets were £404,000 for the year. A major purchase was a new CNC Vertical Machining Centre which will allow us to respond more effectively to short run and prototyping requirements. We also purchased a new hydraulic shear and band saw. Our continuing investment in Information Technology focussed this year on software to link the shop floor to our administrative systems.

CASH FLOW

The group ended the year with no material change in cash and investments, which remained at £1.7 million. This position was achieved after spending a net £0.6 million on the acquisition of ALC. The acquisition cost £1.6 million in total, but this was part funded by a loan of £1.0 million. The loan is denominated in Australian Dollars to match our exposure. Trade creditors have increased substantially because one of our major suppliers cancelled a prompt payment discount, so we have reverted to monthly

payment. Operating cash flow was £2.0 million for the year. Dividends paid increased from £343,000 to £366,000.

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's reported trading profit was not significantly affected by currency movement with approximately 15% being earned in foreign currencies during the period ended 30 September 2000.

TAX AND DIVIDENDS

The tax charge for the year increased to £662,000 (33.1%) from £581,000 (30.8%). The main reasons for the increased percentage were the effect of goodwill (which is not allowable for tax) and the higher tax rates in Australia. The proposed total dividend of 3.75p per share, up 8.7% against last year (3.45p), is covered 3.5 times by earnings. Shareholders' funds improved from £8.5 million to £9.5 million, with no change in the shares in issue during the year. However shortly after the year end the company repurchased 168,500 ordinary shares.

GROUP FIVE YEAR REVIEW

	1996 £000	1997 £000	1998 £000	1999 £000	2000 £000
Turnover	15,313	16,981	18,224	19,877	21,660
Profit before taxation	777	1,204	1,642	1,885	2,005
As a percentage of shareholders' funds	11.2%	16.5%	21.3%	22.2%	21.1%
Taxation	262	393	506	581	663
Profit after taxation	515	811	1,136	1,304	1,342
Shareholders' funds	6,935	7,302	7,695	8,492	9,488
Earnings per share	4.58p	7.27p	10.42p	12.46p	13.01p
Earnings per share, diluted	4.52p	7.20p	10.34p	12.36p	12.90p
Dividends per share	2.73p	2.88p	3.15p	3.45p	3.75p

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts of the group for the 52 weeks ended 30 September 2000.

RESULTS AND DIVIDENDS

The trading profit for the period, after taxation, amounted to £1,342,485 (1999: £1,303,626).

A final dividend on the Ordinary and 'A' ordinary shares of 2.50p per 10p share (1999: 2.30p) will be proposed at the Annual General Meeting to be held on 29 January 2001. If approved, this dividend will be paid on 26 February 2001 to members on the register at 12 January 2001.

An interim dividend of 1.25p per share (1999: 1.15p) was paid on 4 September 2000.

These dividends absorb £382,738 (1999: £355,994) of the profit for the period leaving a balance retained of £959,747 (1999: £947,632) which has been transferred to group reserves.

ACTIVITIES AND REVIEW OF THE BUSINESS

The group manufactured, throughout the period, electrical components and control equipment for industrial and commercial capital goods, and maintained its position as a specialist supplier of lift equipment to that industry. A review of the group's operations is dealt with on pages 4-9.

FIXED ASSETS

The company has adopted the transitional arrangements of FRS 15 "Tangible Fixed Assets" and retained the revaluation of the parent company's land and buildings which took place in 1977. The directors believe that the market value of the freehold land and buildings is in excess of the book value. The movements in fixed assets during the period are set out in the notes to the accounts.

DIRECTORS

The members of the board during the period were:

Mr R M Dewhurst

Mr D Dewhurst

Mr D F Mason

Dr M D White

Mr R Young (appointed 1 February 2000)

Mr C Johnson (non-executive)

Mr K F C Bossard (non-executive from 1 February 2000)

Dr M D White retires by rotation and offers himself for re-election. The unexpired period of Dr M D White's service agreement is less than one year. Mr R Young having been appointed to the Board since the last Annual General Meeting, being eligible, offers himself for re-election. The unexpired period of Mr R Young's service agreement is less than one year.

Details of directors' interests are stated in the Remuneration Report.

AUTHORITY TO PURCHASE SHARES

On 6 October 2000 the company purchased 168,500 of its own Ordinary 10p shares for £139,686. At the time of purchase these shares amounted to 1.63% of the called up share capital of the company and have been cancelled.

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

An Ordinary Resolution will be proposed at this year's Annual General Meeting to renew the company's authority to purchase in the market up to 179,710 Ordinary shares and 327,800 'A' non-voting ordinary shares, representing 5% of the issued share capital at a price of not less than 10p and not more than 105% of the average of the middle market quotations for such shares as derived from the Stock Exchange Daily Official List for ten days preceding the day of purchase.

If granted, the authority would expire at the 2002 Annual General Meeting. It

REPORT OF THE DIRECTORS

CONTINUED

would be the intention of the board to request the renewal of the authority at that time.

The board would only intend to exercise such authority after careful consideration and when it was satisfied that it would be for the benefit of the company and in the best interests of shareholders generally, after taking into account alternative investment opportunities and the effect of any such purchases on the overall financial position of the company.

SUBSTANTIAL SHAREHOLDERS

At 6 December 2000 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 in the Remuneration Report).

Mr A Dewhurst	360,000
Mrs V E Dewhurst	285,000
Capel-Cure Myers Nominees Ltd	213,000
Mrs M Meredith	190,208
Perpetual Unit Trust Management Ltd	190,000
Mrs E Dewhurst	175,333
Mrs R McAlister	164,779
Circle Nominees Ltd	128,345
Mr J H Ridley	126,000

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:

HSBC Global Custody Nominee (UK) Ltd	1,427,033
Mrs V E Dewhurst	369,377
Barfield Nominees Ltd	200,000
Mrs R McAlister	197,628

EMPLOYEE INVOLVEMENT

Meetings, chaired by the Chairman, 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.

HEALTH AND SAFETY

Constant attention is given to health and safety with particular regard to the requirements of the Health and Safety at Work Act 1974 and related legislation.

EMPLOYMENT OF DISABLED PERSONS

Full and fair consideration is given to the employment of disabled persons, having regard to their particular aptitudes and abilities. Wherever possible, continuing employment is provided for employees who become disabled with appropriate arrangements for re-training being made where necessary.

SUPPLIER PAYMENTS POLICY

The company's policy concerning the payment of its trade creditors is to arrange the best possible terms with its suppliers and then pay as appropriate to those terms, subject to satisfactory performance by the supplier.

Any contractual or legal obligations would be honoured with creditors being paid by the agreed dates to satisfy such contracts and commitments.

As at the financial year end the number of days purchases outstanding was twenty seven.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The group has made no political contributions this year (1999: £Nil).

Charitable donations made by the group to local schools and community projects amounted to £688 (1999: £545).

AUDITORS

A resolution to re-appoint BDO Stoy Hayward as auditors for the ensuing year will be proposed at the Annual General Meeting.

CORPORATE GOVERNANCE

Whilst in general we support the objectives of the code, we do not feel that some of its recommendations for

best practice are appropriate for companies of our size. In certain areas we consider the proposals to be too bureaucratic for a small company with a small board. The board confirms that the company has complied with the provisions set out in Section 1 of the Combined Code, which was issued on 25 June 1998, except that the company only has two non-executive directors, the remuneration committee does not consist solely of independent non-executive directors, the audit committee does not consist of the minimum number of non-executive directors and that two of the directors are not required to submit themselves for re-election. The board has decided to restrict its reporting on internal controls to internal financial controls. The board describes below how the principles identified in the Combined Code already referred to above are applied by the company.

Board of directors

The board consists of seven directors with a chairman and a group managing director responsible for the lift division which forms a major part of the group activities. Two of the directors are non-executive and, whilst not independent according to the terms of the code, have a wealth of experience and understanding of the company. This is valued by the board and the director's views certainly carry weight in the board's decisions.

Corporate Governance codes encourage us to have several non-executive directors. As a result we are asking shareholders to approve a change to our Articles of Association to increase the number of directors we may appoint.

Independent professional advice for directors is channelled through the company secretary, to whom all directors have access. This practice operates satisfactorily and it is not considered a formal procedure is required.

The procedure adopted for the appointment of new directors to the

board is for all directors to be involved in the appointment in place of a formal nomination committee.

The training needs in respect of new appointments to the board are assessed and arrangements put in place as appropriate.

Internal Controls

The directors are responsible for the company's system of internal financial control. The system is designed to provide reasonable but not absolute assurance against material mis-statement or loss. The board of directors has overall responsibility for the company's system of internal control. The board meets nine times a year to review the management of the business and has a formal schedule of matters specifically reserved to it for decision.

The company operates a comprehensive annual budgeting and financial operating system which compares results with budget on a monthly basis. At each of its meetings the board reviews the performance of the major business units across the group.

The group has put in place an organisational structure with clearly defined lines of authority and accountability. An internal audit service has been put in place which monitors compliance as part of a programme of review work. The internal audit programme is constructed using risk assessment techniques to develop an appropriate cycle of activity reviews having regard to the key aspects of the business. The plans and results of internal audit activities are reviewed by the Audit Committee.

In September 1999 the London Stock Exchange wrote to all listed companies following the publication of "Internal Control: Guidance for Directors on the Combined Code". This guidance now encompasses internal controls to cover all risks rather than just internal financial controls, but there are transitional arrangements for the current year.

As a result the report above for the year ended 30 September 2000 only covers internal financial control and does not address other matters.

The board is however establishing the necessary procedures to implement the guidance "Internal Control: Guidance for Directors on the Combined Code" and will comply with the guidance for the year ending 30 September 2001.

Shareholder communications

A copy of the Annual Report and Accounts published by the company is sent to every shareholder.

Meetings with institutional investors are held on a regular basis. There is also an opportunity for individual and institutional shareholders to question directors at the Annual General Meeting and to discuss with them any less formal issues at the conclusion of that meeting. Voting at the meeting is by way of a show of hands by members present at the meeting, with the number of proxy votes, for and against being taken into account and announced if required.

Remuneration committee

The company complies with the provisions regarding executive directors, except that directors' remuneration is determined by an informal committee of the chairman and a non-executive director.

The role of the remuneration committee is to establish board policy in respect of terms of employment, including remuneration packages for each executive director. The remuneration committee seeks to ensure that directors are fairly and responsibly rewarded for their individual contributions.

Audit committee

The audit committee is comprised of two non-executive directors. The audit committee in conjunction with the board review the interim and financial statements together with the reports produced by the internal and external auditors.

The group's pension funds are maintained separately from the group's finances and are invested with Legal and General Investment Management Ltd, a major insurance company, and Friends Provident. The trustees meet regularly and all meetings are minuted.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the company continues to adopt the going concern basis in preparing the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing the group's accounts, the directors confirm that they have:

- 1 selected suitable accounting policies and applied them consistently;
- 2 made judgements and estimates that are reasonable and prudent;
- 3 followed applicable accounting standards; and
- 4 prepared the accounts on a going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

M N Green
Secretary



REMUNERATION REPORT

This report contains the information required by the relevant parts of the Listing Rules of the Financial Services Authority. As stated above, the company has not complied with the Listing Rules throughout the year under review in that the Remuneration Committee does not consist exclusively of non-executive directors.

1 DETAILS OF REMUNERATION

Details of the remuneration packages of each director, their interests in the share capital of the company and any outstanding share options are given on pages 17 and 18. All executive directors receive bonuses directly related to the profitability of the group.

2 FEES FOR NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive directors is determined by the Chairman of the Board.

3 BENEFITS

Details of benefits are given on pages 17 and 18.

The term "benefits" includes the provision of a car, fuel and private health insurance.

4 PENSION CONTRIBUTIONS

The executive directors participate in a pension scheme funded partly by contributions from the company and by directors' own contributions of 5½% of their basic salary, directors' fees and profit related bonus. It will provide them, at normal retirement age of 65 years, subject to length of service, Inland Revenue limits and other statutory rules, with a pension of up to two thirds of their basic salary, directors' fees and profit related bonus.

5 SERVICE AGREEMENTS

It is the policy of the company to appoint executive directors subject to a service agreement requiring not more than 24 months' notice to be given by either party. These appointments are subject to election and re-election at the relevant Annual General Meeting according to the Memorandum and Articles of Association.

DIRECTORS' EMOLUMENTS AND INTERESTS

Emoluments

The emoluments of the directors were as follows:

	2000 £	1999 £
Salaries and benefits	437,104	388,460
Payments made to non-executive directors	24,873	17,125
	461,977	405,585

	Basic salary and fees £	Benefits in kind £	Profit related bonus £	2000 Total £	1999 Total £
Executive directors:					
Mr R M Dewhurst	81,435	10,929	30,030	122,394	110,230
Mr D Dewhurst	67,159	10,296	24,116	101,571	93,201
Mr D F Mason	49,085	8,564	9,753	67,402	62,051
Dr M D White	48,750	8,745	9,753	67,248	62,421
Mr R Young (from 1.2.00)	34,667	7,367	18,282	60,316	-
Mr K F C Bossard (to 31.1.00)	16,077	2,096	-	18,173	60,557
Non-executive directors:					
Mr C Johnson	5,588	532	9,753	15,873	17,125
Mr K F C Bossard (from 1.2.00)	9,000	-	-	9,000	-

Mr R M Dewhurst was the highest paid director with emoluments of £122,394 (1999: £110,230).

REMUNERATION REPORT

CONTINUED

Directors' interests

The table below sets out the names of the persons who were directors of the company during the financial year ended 30 September 2000 together with details of their own and their families' beneficial interests in the shares of the company at that date and corresponding details at 3 October 1999.

	30 September 2000		3 October 1999	
	Ordinary Shares	'A' ordinary Shares	Ordinary Shares	'A' ordinary Shares
Mr R M Dewhurst	468,072	133,666	468,072	133,666
Mr D Dewhurst	409,595	79,612	409,595	79,417
Mr D F Mason	1,040	–	1,040	–
Dr M D White	1,000	–	1,000	–
Mr R Young	1,000	–	–	–
Mr C Johnson	20,000	45,000	30,000	45,000
Mr K F C Bossard	6,000	1,000	6,000	1,000

No transactions have taken place between the end of the financial year and 6 December 2000.

At 30 September 2000 the following share options had been allotted to the directors (see note 18):

	Option prices	2000		1999	
		Ordinary shares	'A' ordinary shares	Ordinary shares	'A' ordinary shares
Mr R M Dewhurst	39p–59p	16,000	32,000	16,000	32,000
Mr D F Mason	53p–54p	8,000	16,000	8,000	16,000

As at 30 September 2000 the market price of an Ordinary 10p share was 79p and the range during the year was 79p to 117p. At 30 September 2000 the market price of an 'A' ordinary 10p share was 57p and the range during the year was 57p to 71p.

During the financial year no director was materially interested in any contract which was significant to the group's business.

Directors' pension entitlements

A table of pension benefits for the five directors who participate in a defined benefits scheme is shown below. The pension entitlement shown is that which would be paid annually on retirement, based on service to the end of the year. The increase in accrued pension during the year excludes any increase for inflation. Members of the scheme have the option to pay additional voluntary contributions; neither the contributions nor the resulting benefits are included in the table below.

	Age at year end	Director's contributions in year	Increase in accrued pension during the year	Accumulated total accrued pension at year end
Mr R M Dewhurst	44	5,584	10,094	48,592
Mr D Dewhurst	39	4,402	6,866	32,906
Mr D F Mason	53	3,236	1,445	8,195
Dr M D White	50	3,218	1,239	4,427
Mr R Young	44	2,912	1,704	4,977

A spouse's pension of 50% is payable in the event of the member's death. An increase in pension up to 5% or inflation, whichever is the lower, will be made to pensions after retirement for that service after 5 April 1997 only. Early retirement rights and options are as laid down in the rules of the scheme and apply to all members. The non-executive directors are not members of the scheme.

REPORT OF THE AUDITORS

TO THE MEMBERS OF DEWHURST PLC

We have audited the financial statements on pages 20 to 35, which have been prepared under the accounting policies set out on page 24.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as described on page 16 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the Financial Service Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company is not disclosed.

We review whether the statement on pages 14 to 16 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if

we become aware of any apparent misstatements or material inconsistencies with the financial statements.


BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO Stoy Hayward
Chartered Accountants
and Registered Auditors

Richmond
6 December 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2000

	Notes	£	2000 (52 weeks) £	£	1999 (53 weeks) £
Turnover					
– continuing operations		20,608,203		19,876,599	
– acquisitions		1,051,903		–	
Operating costs					
	2		21,660,106		19,876,599
	3		(19,664,938)		(18,071,476)
Operating profit					
– continuing operations		1,883,361		1,805,123	
– acquisitions		111,807		–	
			1,995,168		1,805,123
Net interest	5		10,235		79,900
Profit on ordinary activities before taxation			2,005,403		1,885,023
Tax on profit on ordinary activities	6		(662,918)		(581,397)
Profit for the financial year	7		1,342,485		1,303,626
Dividends per 10p ordinary share	8				
Interim paid of 1.25p (1999: 1.15p)		(128,983)		(118,664)	
Proposed final of 2.50p (1999: 2.30p)		(253,755)		(237,330)	
			(382,738)		(355,994)
Retained profit for the financial year	19		959,747		947,632
Basic earnings per share	8		13.01p		12.46p
Diluted earnings per share	8		12.90p		12.36p

A statement of movements on reserves can be found in note 19.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Profit for the financial year attributable to shareholders	1,342,485	1,303,626
Currency translation differences on foreign currency net investments	55,961	69,542
Taxation in respect of exchange translation differences	(20,488)	–
Total recognised gains and losses for the financial year	1,377,958	1,373,168

The notes on pages 24 to 35 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 30 September 2000

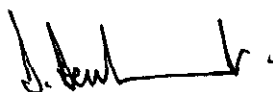
	Notes	£	2000 £	£	1999 £
Fixed assets					
Intangible	9		1,327,290		–
Tangible					
– Land and buildings	10	1,388,823		1,374,420	
– Plant and machinery	10	1,769,156		1,683,995	
			3,157,979		3,058,415
			4,485,269		3,058,415
Current assets					
Stocks	12	4,150,620		3,492,022	
Debtors	13	4,050,268		3,316,454	
Investments	14	26,501		23,193	
Cash at bank and in hand		1,707,376		1,702,037	
			9,934,765		8,533,706
Creditors: amounts falling due within one year	15	4,053,157		2,927,646	
Net current assets			5,881,608		5,606,060
Total assets less current liabilities			10,366,877		8,664,475
Creditors: due after one year	16		734,254		–
Provisions for liabilities and charges	17		145,000		172,072
Net assets			9,487,623		8,492,403
Capital and reserves					
Called up share capital	18		1,031,870		1,031,870
Share premium account	19		126,658		126,658
Revaluation reserve	19		423,001		423,001
Capital redemption reserve	19		96,940		96,940
Profit and loss account	19		7,809,154		6,813,934
Equity shareholders' funds	20		9,487,623		8,492,403

The financial statements were approved by the board of directors on 6 December 2000 and were signed on its behalf by:

R M Dewhurst Chairman



D Dewhurst Group Managing Director – Lift Division



The notes on pages 24 to 35 form part of these financial statements.

COMPANY BALANCE SHEET

At 30 September 2000

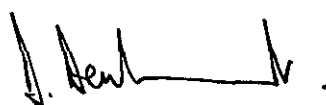
	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible					
– Land and buildings	10	716,985		723,745	
– Plant and machinery	10	1,169,474		1,239,173	
			1,886,459		1,962,918
Investments – shares in subsidiary undertakings	11		1,948,214		334,770
			3,834,673		2,297,688
Current assets					
Stocks	12	2,760,847		2,600,230	
Debtors	13	3,170,793		3,068,621	
Cash at bank and in hand		1,613,510		1,459,093	
			7,545,150		7,127,944
Creditors: amounts falling due within one year	15	2,720,684		2,036,248	
Net current assets			4,824,466		5,091,696
Total assets less current liabilities			8,659,139		7,389,384
Creditors: due after one year	16	671,387			–
Provisions for liabilities and charges	17	176,207			187,442
Net assets			7,811,545		7,201,942
Capital and reserves					
Called up share capital	18		1,031,870		1,031,870
Share premium account	19		126,658		126,658
Revaluation reserve	19		423,001		423,001
Capital redemption reserve	19		96,940		96,940
Profit and loss account	19		6,133,076		5,523,473
Equity shareholders' funds			7,811,545		7,201,942

The financial statements were approved by the board of directors on 6 December 2000 and were signed on its behalf by:

R M Dewhurst Chairman



D Dewhurst Group Managing Director – Lift Division



The notes on pages 24 to 35 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2000

	Notes	£	2000 (52 weeks) £	£	1999 (53 weeks) £
Net cash inflow from operating activities	23		1,982,424		1,959,936
Returns on investments and servicing of finance:					
Interest and dividends received		57,073		80,682	
Interest paid		(45,711)		(782)	
Interest element from finance lease rental payments		(1,127)		-	
Net cash inflow from returns on investments and servicing of finance			10,235		79,900
Taxation:					
UK taxation		(336,663)		(587,269)	
Overseas taxation		(134,670)		(104,366)	
Net cash outflow from taxation			(471,333)		(691,635)
Capital expenditure and financial investment:					
Purchase of fixed assets		(403,122)		(582,262)	
Sale of tangible fixed assets		52,462		55,978	
Net cash outflow from capital expenditure & financial investment			(350,660)		(526,284)
Acquisitions and disposals:					
Purchase of subsidiary undertakings	24	(1,664,321)		-	
Net cash outflow from acquisitions			(1,664,321)		-
Equity dividends paid			(366,313)		(342,603)
Net cash inflow/(outflow) before use of liquid resources and financing			(859,968)		479,314
Management of liquid resources					
Sale/(purchase) of short-term deposits			752,400		(752,400)
Financing					
Bank loan		1,000,000		-	
Bank loan repayments		(93,209)		-	
Capital element of finance lease rental payments		(41,484)		-	
Repurchase of shares		-		(219,919)	
			865,307		(219,919)
Increase/(decrease) in cash in period			757,739		(493,005)

The notes on pages 24 to 35 form part of these financial statements.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Accounting convention The group accounts have been prepared under the historical cost convention as modified by the transitional arrangements which have been followed this year on adopting FRS 15 "Tangible Fixed Assets" and the effects of translation of foreign currencies. The accounts are prepared in accordance with applicable accounting standards.

Consolidation The group accounts consolidate the accounts of the company and the subsidiary undertakings using the acquisition accounting method, as at 30 September. A separate profit and loss account dealing with the results of the company has not been presented, as permitted by section 230 of the Companies Act 1985.

Investments Fixed asset investments: In the accounts of the company, investments held as fixed assets are stated at cost less provision for diminution in value. Current asset investments: Investments held as current assets are stated at the lower of cost and net realisable value.

Goodwill Any difference between the cost of acquisition of a subsidiary undertaking and the fair value of its separable net assets at acquisition is capitalised as goodwill. Goodwill carried in the balance sheet as an intangible asset is amortised, on a straight line basis, over a period of 10 years with such period being chosen to reflect its expected useful life. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed assets As permitted by FRS 15 the Group has adopted a policy of not revaluing properties, under the transitional provisions of FRS 15, previously revalued properties are included at their valuation at September 1982 less depreciation.

Depreciation Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation less residual value over the expected useful life. The annual rates generally applicable are:

Freehold buildings	– 1½% or 5%	– on a declining balance basis
Plant and machinery	– 10% to 33⅓%	– on a straight-line basis
Motor vehicles	– 25% to 30%	– on a straight-line basis

Stocks Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost represents direct materials, labour and appropriate production overheads.

Deferred taxation Deferred taxation is provided to take account of timing differences between profit as computed for taxation purposes and profit as stated in the accounts, except where the liability is not expected to crystallise in the foreseeable future.

Foreign currencies Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and exchange differences are taken to reserves. All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves. The results for the year of Dupar Controls Inc., The Fixture Company and Australian Lift Components Pty Ltd have been translated at an average rate of exchange for the year.

Research and development Research and development costs are written off in the year of expenditure.

Leased assets Assets funded through finance leases are capitalised in tangible fixed assets. The interest element is charged to the profit and loss account over the life of the lease in proportion to the outstanding commitment. Rentals under operating leases are charged to the profit and loss account as incurred.

Pension costs The group operates both a defined benefit and defined contribution type scheme. The majority of the group's employees belong to pension schemes which are funded by both employer's and employees' contributions and which are of the defined benefit type. 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. Any difference between the cost charged and the amounts paid by the group is treated as a prepayment or accrual. Contributions in respect of the defined contribution schemes are charged to the profit and loss account as incurred.

Financial instruments In relation to the disclosures made in note 26, trade debtors and trade creditors are treated as financial assets or liabilities. The group does not hold or issue derivative financial instruments for trading purposes.

2 TURNOVER

Turnover represents the invoiced value of sales less returns and sales taxes.

A geographical analysis of turnover is as follows:

	2000		1999	
	£	%	£	%
United Kingdom	13,047,429	60	13,564,855	69
Africa and Middle East	61,440	1	162,859	1
The Americas	3,270,038	15	2,868,410	14
Europe	1,096,880	5	659,531	3
Australia and Asia	4,184,319	19	2,620,944	13
	21,660,106	100	19,876,599	100

In the opinion of the directors, disclosure of turnover by class of business and net assets and profits by both class of business and geographical location would be prejudicial to the activities of the group.

3 OPERATING COSTS

	2000	1999
	£	£
Movement in trading stocks and work-in-progress	(658,597)	(101,229)
Raw materials and consumables	9,165,704	7,873,327
Other external charges	346,207	455,158
Staff costs (see note 4)	7,637,080	7,123,952
Depreciation	525,661	457,228
Goodwill amortisation	100,246	-
Other operating charges	2,548,637	2,263,040
Operating costs	19,664,938	18,071,476

Depreciation includes £17,618 (1999: £Nil) charged on assets held under finance leases and hire purchase contracts. Other operating charges include lease rentals on premises £83,397 (1999: £51,250), auditors' remuneration £47,554 (1999: £35,677), non audit fees paid to the holding company's auditors £29,169 (1999: £29,985) and profit on sale of fixed assets £19,727 (1999: £21,401). Expenditure on research and development was £748,000 (1999: £831,500).

4 STAFF COSTS AND INFORMATION REGARDING EMPLOYEES

Costs during the year, including directors' emoluments which are disclosed in the remuneration report, were as follows:

	2000	1999
	£	£
Wages and salaries	6,686,650	6,191,835
Social security costs	472,459	455,637
Pension costs	477,971	476,480
	7,637,080	7,123,952

The average number of employees of the group during the year was:

	2000	1999
	No	No
Office and management	152	136
Manufacturing	217	212
	369	348

NOTES TO THE ACCOUNTS

CONTINUED

5 NET INTEREST

	2000 £	1999 £
Bank deposit interest	57,073	80,682
Less:		
Interest payable on bank overdraft and loan repayable within five years	(45,332)	(742)
Interest payable on finance leases	(1,127)	-
Other interest payable	(379)	(40)
	10,235	79,900

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK Corporation Tax at 30% (1999: 31%)	529,001	472,940
Deferred taxation	(11,365)	8,552
Adjustment on prior year tax	61	3,770
Overseas taxation	145,221	96,135
Taxation charge	662,918	581,397

7 PROFIT FOR THE FINANCIAL PERIOD

This includes £1,075,130 (1999: £1,149,108) of profit after tax which has been dealt with in the accounts of the holding company.

8 EARNINGS PER SHARE AND DIVIDENDS PER SHARE

	2000 No	1999 No
Weighted average number of shares		
For basic earnings per share	10,318,698	10,464,717
Share options outstanding	85,500	85,500
For diluted earnings per share	10,404,198	10,550,217

The calculation of basic earnings per share is based on the profit attributable to shareholders and on 10,318,698 Ordinary 10p and 'A' ordinary 10p shares, being the weighted average number of shares in issue throughout the financial year.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all share options granted to employees outstanding at the period end, as detailed in note 18.

The final proposed dividend is based on 3,594,200 Ordinary 10p shares and 6,555,998 'A' ordinary 10p shares, being the expected number of shares on the proposed record date.

9 INTANGIBLE FIXED ASSETS

	The Group		Total £
	Goodwill on consolidation £	Other £	
Cost or valuation:			
At 4 October 1999	–	–	–
Subsidiary undertaking acquired	–	3,960	3,960
Additions	1,528,353	2,436	1,530,789
Exchange adjustment	(106,916)	(297)	(107,213)
At 30 September 2000	1,421,437	6,099	1,427,536
Amortisation:			
At 4 October 1999	–	–	–
Charge for the year	100,246	–	100,246
At 30 September 2000	100,246	–	100,246
Net book value:			
At 30 September 2000	1,321,191	6,099	1,327,290
At 3 October 1999	–	–	–

10 TANGIBLE FIXED ASSETS

	The Group		The Company	
	Freehold land and buildings £	Plant and machinery £	Freehold land and buildings £	Plant and machinery £
Cost or valuation:				
At 4 October 1999	1,610,889	4,057,214	888,811	3,130,500
Exchange adjustment	24,716	35,901	–	–
Subsidiary undertaking acquired	2,653	223,770	–	–
Additions	12,643	391,068	–	255,056
Disposals	–	(339,355)	–	(294,360)
At 30 September 2000	1,650,901	4,368,598	888,811	3,091,196
Depreciation:				
At 4 October 1999	236,469	2,373,219	165,066	1,891,327
Exchange adjustment	4,497	24,541	–	–
Subsidiary undertaking acquired	–	3,752	–	–
Charge for the year	21,112	504,549	6,760	316,176
Disposals	–	(306,619)	–	(285,781)
At 30 September 2000	262,078	2,599,442	171,826	1,921,722
Net book value:				
At 30 September 2000	1,388,823	1,769,156	716,985	1,169,474
At 3 October 1999	1,374,420	1,683,995	723,745	1,239,173

NOTES TO THE ACCOUNTS

CONTINUED

TANGIBLE FIXED ASSETS CONTINUED

The cost or valuation figures for land and buildings comprise:

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Valuation made in 1977	590,000	590,000	590,000	590,000
Valuation made in 1982	32,000	32,000	32,000	32,000
Stated at historical cost	1,028,901	988,889	266,811	266,811
	1,650,901	1,610,889	888,811	888,811

The net book value of land and buildings comprises:

	£	£	£	£
Freehold land	392,747	388,698	270,000	270,000
Freehold buildings	996,076	985,722	446,985	453,745
	1,388,823	1,374,420	716,985	723,745

The amount attributed to land and buildings as determined by historical cost accounting rules are:

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Cost	1,228,000	1,188,000	466,000	466,000
Depreciation	186,000	176,000	110,000	108,000
Net book value at 30 September 2000	1,042,000	1,012,000	356,000	358,000

The net book value of tangible fixed assets for the group includes an amount of £130,087 (1999: £Nil) in respect of assets held under finance leases and hire purchase contracts.

Capital commitments contracted by the group and the company amounted to £Nil (1999: £82,243).

11 FIXED ASSET INVESTMENTS – SHARES IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are:

	2000 £	1999 £
Cost:		
Dupar Controls Inc.	34,770	34,770
Thames Valley Controls Ltd	300,000	300,000
The Fixture Company	31,852	31,852
Australian Lift Components Pty Ltd (acquired in year)	1,613,444	-
	1,980,066	366,622
Provision for diminution in value	(31,852)	(31,852)
	1,948,214	334,770

The company has four wholly-owned subsidiaries, Dupar Controls Inc., registered and principally operating in Canada, Thames Valley Controls Ltd, registered in England, The Fixture Company, registered and principally operating in the United States of America and Australian Lift Components Pty Ltd, registered and principally operating in Australia. All four companies have similar principal activities to Dewhurst plc. The parent company has guaranteed borrowings between two of its subsidiary undertakings of £209,694 (1999: £191,682).

12 STOCKS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Raw materials and consumables	1,810,224	1,281,867	1,163,547	946,133
Work-in-progress	554,677	598,033	446,913	461,218
Finished goods and goods for re-sale	1,785,719	1,612,122	1,150,387	1,192,879
	4,150,620	3,492,022	2,760,847	2,600,230

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 DEBTORS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Amounts falling due within one year:				
Trade debtors	3,900,675	3,217,250	1,960,673	1,902,048
Amounts due from subsidiary undertakings	–	–	502,471	494,541
Other debtors	1,168	3,603	1,168	2,682
Prepayments and accrued income	148,425	95,601	106,481	69,350
	4,050,268	3,316,454	2,570,793	2,468,621
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	–	–	600,000	600,000
	4,050,268	3,316,454	3,170,793	3,068,621

14 CURRENT ASSETS – INVESTMENTS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Cost and market value:				
Unlisted Overseas Government Securities	26,501	23,193	–	–

15 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Bank loan	167,110	–	167,110	–
Trade creditors	1,449,074	1,092,949	881,649	706,765
Corporation tax and overseas tax	525,295	229,454	371,206	184,679
Other taxes and social security costs	362,125	315,206	201,053	198,476
Obligations under finance leases	47,106	–	–	–
Other creditors	185,742	155,159	139,844	125,642
Accruals and deferred income	1,062,950	897,548	706,067	583,356
Proposed dividend	253,755	237,330	253,755	237,330
	4,053,157	2,927,646	2,720,684	2,036,248

NOTES TO THE ACCOUNTS

CONTINUED

16 CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Bank loan	671,387	–	671,387	–
Obligations under finance leases	62,867	–	–	–
	734,254	–	671,387	–

The AUS\$2,532,500 bank loan taken out to fund the acquisition of Australian Lift Components Pty Ltd is subject to interest at 1.5% above the bank's currency base rate. This loan is treated as a hedge against the investment.

Financial liabilities are due:

	Bank Loan		Finance Leases		Total	
	2000 £	1999 £	2000 £	1999 £	2000 £	1999 £
– one year or less	167,110	–	47,106	–	214,216	–
– between one and two years	179,304	–	54,796	–	234,100	–
– two to five years	492,083	–	8,071	–	500,154	–
	838,497	–	109,973	–	948,470	–

17 PROVISION FOR LIABILITIES AND CHARGES

	The Group £	The Company £
Deferred taxation:		
At 4 October 1999	9,072	24,442
Exchange adjustment	2,293	–
Transfer to/(from) profit and loss account	(11,365)	6,765
At 30 September 2000	–	31,207

Provision for liabilities and charges provided in full is as follows

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Deferred taxation – accelerated capital allowances	79,927	61,031	60,277	45,892
– other timing differences	(79,927)	(51,959)	(29,070)	(21,450)
Warranty provision	145,000	163,000	145,000	163,000
	145,000	172,072	176,207	187,442

Warranties are provided in the normal course of business based on an assessment of future claims with reference to past claims. Unused warranty provisions released during the period amounted to £44,714 (1999: £128,213).

18 CALLED UP SHARE CAPITAL

	2000 £	1999 £
Allotted and fully paid:		
Shares of 10p each – 3,762,700 (1999: 3,762,700) Ordinary	376,270	376,270
– 6,555,998 (1999: 6,555,998) 'A' non-voting ordinary	655,600	655,600
	1,031,870	1,031,870

In October 2000 the company purchased 168,500 of its own Ordinary shares. For details see the note in the report of the directors on page 13.

	2000 £	1999 £
Authorised:		
Shares of 10p each – 4,500,000 Ordinary	450,000	450,000
– 9,000,000 'A' non-voting ordinary	900,000	900,000
	1,350,000	1,350,000

Share options

At the balance sheet date the following options were outstanding:

Date option granted	Shares of 10p each	Option price per share	Period exercisable	Number of options outstanding
22.8.1991	Ordinary shares	59p	22.8.1994 – 21.8.2001	19,500
22.8.1991	'A' non-voting ordinary	39p	22.8.1994 – 21.8.2001	39,000
25.8.1993	Ordinary shares	54p	25.8.1996 – 24.8.2003	9,000
25.8.1993	'A' non-voting ordinary	53p	25.8.1996 – 24.8.2003	18,000

No options have lapsed or been exercised during the period.

Details of directors' interests in the shares of the company are disclosed in the remuneration report on page 18.

19 RESERVES

	The Group				The Company			
	Revaluation reserve £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 4 October 1999	423,001	96,940	126,658	6,813,934	423,001	96,940	126,658	5,523,473
Exchange adjustments on net investments on subsidiaries	–	–	–	(32,821)	–	–	–	(151,083)
Exchange adjustments on loan	–	–	–	68,294	–	–	–	68,294
Retained profits for the year	–	–	–	959,747	–	–	–	692,392
At 30 September 2000	423,001	96,940	126,658	7,809,154	423,001	96,940	126,658	6,133,076

NOTES TO THE ACCOUNTS

CONTINUED

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Total recognised gains and losses for the period	1,377,958	1,373,168
Dividends	(382,738)	(355,994)
Share capital cancelled	-	(219,919)
Net increase in shareholders' funds	995,220	797,255
Shareholders' funds at 4 October 1999	8,492,403	7,695,148
Shareholders' funds at 30 September 2000	9,487,623	8,492,403

21 PENSIONS

The group operates pension schemes in the UK, Canada and Australia. The UK operates both a defined contribution scheme and a defined benefit scheme, the assets of which are held in trustee administered funds. The Canadian and Australian schemes are of the defined contribution type. The total pension cost for the group was £477,971 (1999: £476,480), of which £32,171 (1999: £8,571) relates to schemes outside the UK. There were no outstanding or prepaid contributions at the balance sheet date in respect of either scheme.

The pension cost relating to the UK scheme is assessed in accordance with the advice of qualified actuaries using the projected unit method. The latest actuarial valuation of the scheme was on 1 June 1997. Generally, it has been assumed that future investment returns would be at rates not exceeding 8% per annum and that increases in earnings would average 6% per annum.

At the date of the latest actuarial valuation of the UK scheme, the market value of the assets of the scheme exceeded £6.0 million and the funding level on the ongoing valuation basis was 104%. The 1997 actuarial valuation takes account of the position of existing pensioners when assessing the assets and liabilities of the fund. This has become standard actuarial practice. The 2000 actuarial valuation is in the process of being completed.

22 LEASE COMMITMENTS

Annual commitments under operating leases expiring:

	2000 Land and buildings £	The Group 1999 Land and buildings £
Within one year	32,847	17,415
Between one and five years	43,000	23,000
Between five and ten years	11,599	13,628
	87,446	54,043

23 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash flow from operating activities:

	2000 £	1999 £
Operating profit	1,995,168	1,805,123
Depreciation and amortisation	625,907	457,228
(Profit)/loss on sale of fixed assets	(19,727)	(21,401)
(Increase)/decrease in stocks	(470,379)	(101,229)
(Increase)/decrease in debtors	(498,808)	658,467
Increase/(decrease) in creditors	331,782	(669,078)
Increase/(decrease) in provisions for liabilities and charges	(18,000)	(217,000)
(Profit)/loss on exchange	36,481	47,826
Net cash inflow from operating activities	1,982,424	1,959,936

Reconciliation of net cash flows to movement in net funds:

	2000 £	1999 £
Increase/(decrease) in cash in year	757,739	(493,005)
Increase/(decrease) in short-term deposits in year	(752,400)	752,400
(Increase)/decrease in debt and lease financing	(865,307)	-
Change in net funds resulting from cash flows	(859,968)	259,395
Loans and finance leases acquired with subsidiaries	(151,457)	-
Exchange differences	71,602	2,099
	(939,823)	261,494
Net funds at 4 October 1999	1,725,230	1,463,736
Net funds at 30 September 2000	785,407	1,725,230

Analysis of net funds:

	At 4 October 1999 £	Cash flows £	Acquisitions (excluding cash and overdrafts) £	Exchange movements £	At 30 September 2000 £
Cash at bank and in hand	949,637	757,739	-	-	1,707,376
Liquid resources	775,593	(752,400)	-	3,308	26,501
Cash and liquid resources	1,725,230	5,339	-	3,308	1,733,877
Loans	-	(906,791)	-	68,294	(838,497)
Finance leases	-	41,484	(151,457)	-	(109,973)
Financing (excluding share capital)	-	(865,307)	(151,457)	68,294	(948,470)
Net funds	1,725,230	(859,968)	(151,457)	71,602	785,407

NOTES TO THE ACCOUNTS

CONTINUED

NOTE 24 ACQUISITIONS

Acquisition of subsidiary undertakings

On 8 February 2000, Dewhurst plc acquired Australian Lift Components Pty Ltd for a total consideration of AUS\$4,204,707 (£1,664,321) paid by cash of which AUS\$2,532,500 (£1,000,000) was financed by a bank loan.

Details of the transaction:

	Book value £	Fair value £
Fixed assets	226,631	226,631
Current assets:		
Stocks	188,219	188,219
Debtors	235,006	235,006
Creditors	(513,887)	(513,887)
Net assets acquired	135,969	135,969
Consideration	1,664,321	1,664,321
Goodwill	1,528,352	1,528,352

The results of Australian Lift Components Pty Ltd prior to acquisition were as follows:

Profit and loss account

	1 July 1999 to 7 February 2000 £	Year ended 30 June 1999 £
Turnover	1,078,723	1,781,279
Operating costs	893,019	1,591,818
Operating profit	185,704	189,461
Net interest	2,029	2,234
Profit on ordinary activities before taxation	187,733	191,695
Taxation for the period	125,835	61,229
Profit for the period	61,898	130,466

There are no recognised gains and losses other than the results for the periods.

Cash flows

The net outflow of cash arising from acquisitions was as follows:

	£
Cash consideration, as above	1,664,321
Net outflow of cash in respect of Australian Lift Components Pty Ltd	1,664,321

NOTE 25 CASH FLOWS RELATING TO ACQUISITIONS

	£
Operating cash flows	38,484
Return on investments	(815)
Taxation	(59,004)
Capital expenditure and financial investment	(34,440)
Financing	98,024
Net cash inflow	42,249

26 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 12.

Currency and interest rate exposure of financial assets and liabilities

	30 September 2000			3 October 1999		
	Assets £	Liabilities £	Net £	Assets £	Liabilities £	Net £
Sterling	4,585,557	1,193,245	3,392,312	4,238,838	1,022,469	3,216,369
Canadian dollars	526,470	105,871	420,599	618,919	65,982	552,937
United States dollars	193,303	36,928	156,375	84,723	4,498	80,225
Australian dollars	302,721	961,527	(658,806)	-	-	-
	5,608,051	2,297,571	3,310,480	4,942,480	1,092,949	3,849,531
Of which cash amounts to	1,707,376	848,497	858,879	1,702,037	-	1,702,037

The cash amount shown above is invested at overnight rates based on the relevant national LIBOR. The floating rate bank loan bears interest at 1.5% above base rates.

Hedges

As indicated in note 19 "Reserves" on page 31 the group has on-balance sheet (deferred) gains and losses in respect of financial instruments used as hedges at the end of the year. All the gains and losses on the hedging instruments are expected to be matched by losses and gains on the hedged transactions or positions.

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 group believes that there is no material difference between the carrying amount and the fair value of its financial instruments.

NOTICE OF MEETING

Notice is hereby given that the eighty-first Annual General Meeting of Dewhurst plc will be held at the registered office, Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT on 29 January 2001 at 11:00 am for the following purposes:

- 1 To receive and adopt the statement of accounts for the 52 weeks ended 30 September 2000 and the reports of the directors and auditors thereon.
- 2 To declare a final dividend on the Ordinary and 'A' ordinary shares.
- 3 To re-elect as a director Dr M D White, who retires by rotation under the Articles of Association.
- 4 To re-elect as a director Mr R Young who was appointed since the last Annual General Meeting and who retires in accordance with the Articles of Association.
- 5 To re-appoint the auditors 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 163(3) of the Companies Act 1985) of up to an aggregate of 179,710 Ordinary shares and 327,800 'A' non-voting ordinary shares of 10p each (representing 5% 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 2002, 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 Special Resolution. That Article 80 of the Articles of Association be and is hereby deleted and that it be substituted by a new Article 80 as follows:

The number of directors shall not be more than nine nor less than two, but the continuing or acting directors may act notwithstanding any vacancy in their body, provided that if the number of the board be less than the prescribed minimum the remaining directors or director shall forthwith appoint an additional director or additional directors to make up such minimum or convene a General Meeting of the company for the purpose of making such an appointment.
- 8 To transact any other ordinary business of the company.

By order of the board

M N Green
Secretary

29 December 2000

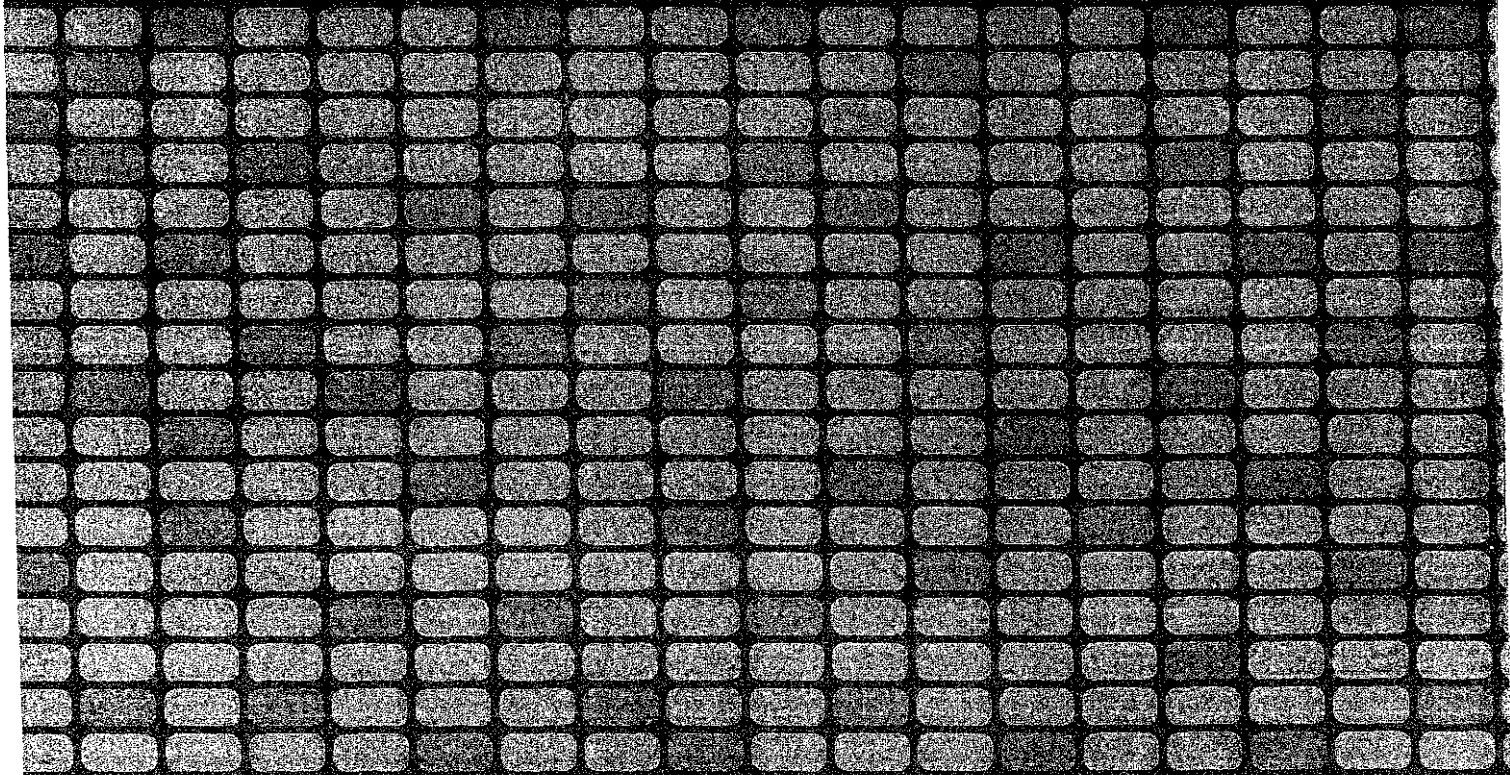
NOTES

- 1 A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him or her. A proxy need not also be a member of the company. The instrument appointing a proxy should be deposited with the secretary at Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT, at least 48 hours before the time appointed for holding the meeting. 'A' non-voting ordinary shares do not carry the right to attend or vote at meetings of the company.
- 2 There will be available for inspection at the company's registered office between 9:30 am and 4:30 pm Monday to Thursday and between 9:30 am and 12:30 pm on Friday, public holidays excluded, from 3 January 2001 to 26 January 2001 inclusive, and on the day of the Annual General Meeting from 10:45 am until the conclusion of that meeting, a statement of transactions of each director (and, so far as he can reasonably ascertain, of his family interests) in the share capital of the company and its subsidiaries.
- 3 The transfer books of the company will be closed at 3:00 pm on 12 January 2001.

D dewhurst

DEWHURST PLC
ANNUAL REPORT AND ACCOUNTS 2000

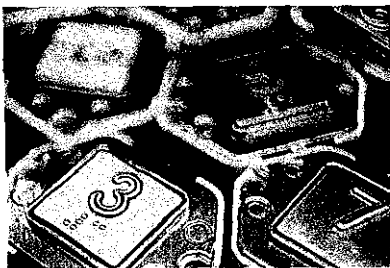
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DEWHURST PLC AIMS TO BE THE LEADING
WORLDWIDE SUPPLIER OF HIGH QUALITY
MAN MACHINE INTERFACES FOR PUBLIC
ENVIRONMENTS.

MAJOR MARKETS INCLUDE: THE LIFT INDUSTRY,
TRANSPORTATION, AUTOMATED BANKING AND
RETAILING MACHINES.

WE ARE DEDICATED TO PROVIDING EVER
IMPROVING QUALITY, RELIABILITY AND VALUE
IN OUR PRODUCTS BY INNOVATION IN DESIGN
AND MANUFACTURING.

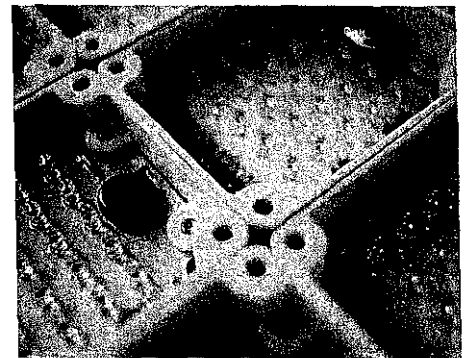


LIFT COMPONENTS

Supplying pushbuttons, indicators, auxiliary equipment, lift control and monitoring systems to the lift industry worldwide.

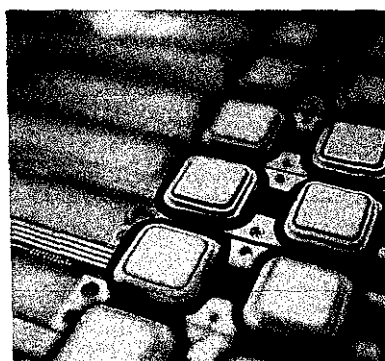
RAIL PRODUCTS

Supplying pushbuttons, indicators and associated products to the rail industry.



KEYPADS

Supplying keypads to various markets including banking terminals, security and ticketing machines.



FINANCIAL HIGHLIGHTS

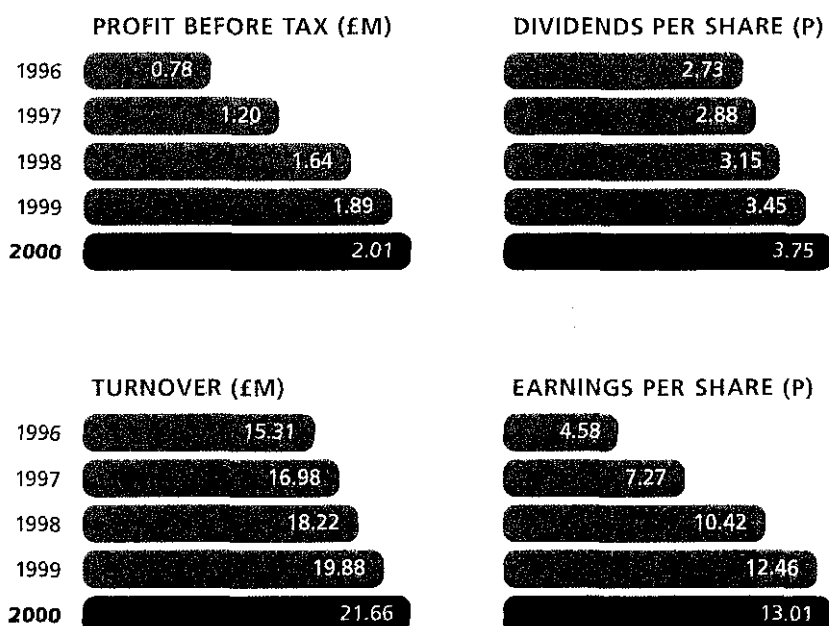
OPERATING PROFIT UP 11%

PRE-TAX PROFITS UP 6%

RETURN ON SHAREHOLDERS' FUNDS 21%

RECORD SALES REPORTED AT THREE COMPANIES

DIVIDENDS INCREASED BY 9%



CHAIRMAN'S STATEMENT

RESULTS

I am pleased to report another year of progress for the Group. For the third successive year we have achieved record sales and profits. Group sales were up 9% and group profits before tax were 6% ahead. All but one company in the Group registered record sales. The improvement in group profits was primarily generated by Thames Valley Controls and the contribution from the newly acquired Australian Lift Components. The results are a great credit to the hard work put in by our employees and I thank them for their efforts throughout the year. The Directors are recommending a Final Dividend of 2.5p, making a total of 3.75p for the year, a 9% increase.

STRATEGY

In February, Australian Lift Components (ALC) joined the Group, building upon our stated strategy of enhancing our global network. Our objective in acquiring the company was to allow us to add value to our Australian sales and to improve service to our customers in this market. ALC made an excellent contribution in its first year with us and we are very happy to welcome the team to the Group.

FACTORY REORGANISATION

I referred to our need to undertake a major refurbishment of our Hounslow factory in the Interim Statement. A significant amount

of planning work has been undertaken and orders have been placed for major components of the work, but the financial impact last year was not really significant. The major burden will fall on the current financial year and is expected to be of the order of £500,000 to £600,000. The largest single element of the cost is for the replacement of our electrical distribution system, which must be done for safety reasons. We are also reorganising our Stores and some of our production facilities for improved workflow and efficiency.

OUTLOOK

For the Lift Division, export demand has fallen back from peak levels for various reasons including the high value of the pound. UK demand is expected to be stable although we are undertaking a range of product and marketing initiatives to build home sales for the future.

Rail and Keypad demand is currently projected to be firmer but these areas have a tendency to be less predictable. At the same time we are facing the costs of our refurbishment and further increases in pension costs. The above factors mean we face a challenging year ahead.



R M Dewhurst Chairman

OUR NEW ACQUISITION STRENGTHENS
OUR POSITION AS A GLOBAL SUPPLIER TO
INTERNATIONAL LIFT COMPANIES



REVIEW OF OPERATIONS

OPERATING HIGHLIGHTS

The Group achieved sales growth of 9% in the year which was fairly evenly split between organic growth and that from the acquisition. All companies except Dupar Controls achieved record sales in the millennium year which was an excellent achievement. Sales fell slightly in the UK but this was more than offset by growth in overseas markets. As last year, the growth was in the Lift market. Keypad and Rail demand fell back slightly. Overseas sales have now reached nearly 40% of total Group sales, reducing our dependence on the UK market.

The parent company at Hounslow achieved record sales and profits for the year. The sales growth was achieved in a very challenging export market, against the burden of the overvalued exchange rate. Through the year we continued to focus on improved customer service and on-time delivery reached record levels. We have commenced work upon our refurbishment of the Hounslow factory, starting with the storage areas.

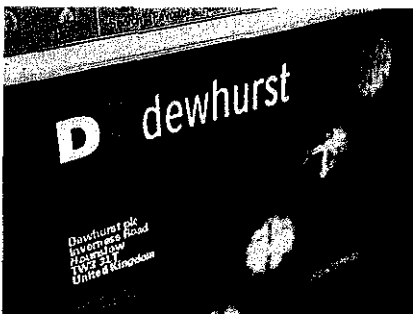
Thames Valley Controls again produced excellent results with record sales and profits for the second year in a row. A continued focus on productivity through simplifying the products and processes has helped produce these results.

Dupar Controls in Canada has had a disappointing year. Sales fell and the organisation did not respond effectively resulting in lower profits. Management changes also contributed to additional costs in the year, but are expected to resolve the problems for the future.

In the USA, The Fixture Company doubled sales, but this required additional investment and losses widened. However we continue to build a platform for future growth and profitability in the US market.

Our new acquisition in Australia, Australian Lift Components, achieved our expectations in its first year and we expect it to become a valued member of the Group.

CUSTOMERS AROUND THE WORLD CAN NOW BENEFIT FROM OUR INVESTMENT IN ONLINE TECHNOLOGY MAKING PRODUCT INFORMATION MORE ACCESSIBLE



We launched our Websites for the parent company and TVC during the year. Data sheets and installation instructions can be downloaded from these sites, providing customers with immediate access to key information.



UNITED KINGDOM

The strong performer in the UK was the Lift Division, which achieved double digit sales growth. However the major portion of this growth was on export sales.

Hounslow

Keypad Division

As outlined above, keypad sales fell back slightly last year. This was primarily caused by Year 2000 issues impacting on Automatic Teller Machine (ATM) demand.

The major launch of the year was a new display surround and function key product for NCR's Personas 86 ATM, which is an enhanced drop-in replacement for an earlier generation of through-the-wall cash machines.

There were major challenges in the design because of the limited space envelope available – the entire vandal resistant switch mechanism is provided within an overall depth of 11mm. This product is expected to generate significant sales in the coming year as banks look to upgrade older machines.

We also launched a full Braille version of our popular MA range of keypads during the year, to cater for the needs of visually impaired users.

Rail Division

The refurbishment market has again provided the bulk of business for the Rail Division. We won a number of important contracts which have centred around the PA51 bodyside indicator.

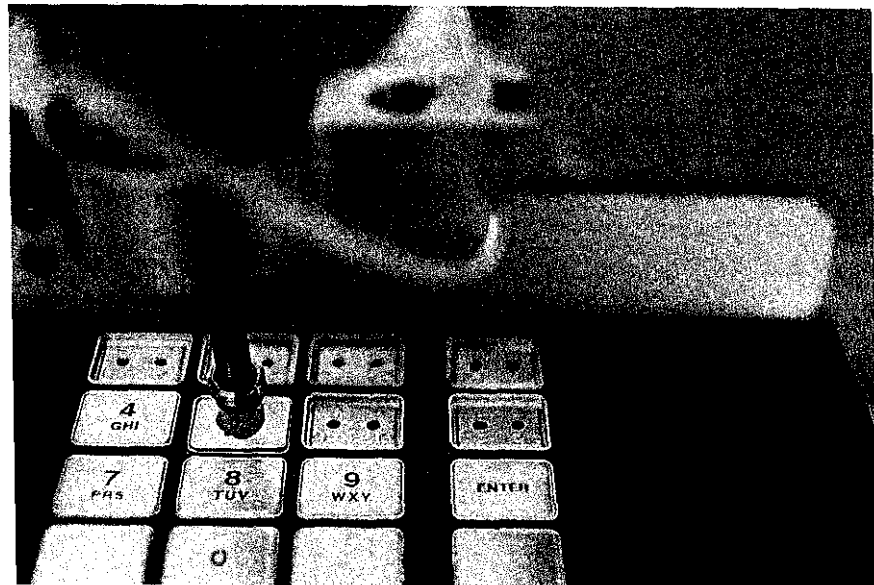
We are pleased that National Rail Supplies (NRS) are now stocking a number of our components and this has led to some exciting new opportunities for our products. Generally the industry is buoyant and the demand for our components for both new build and refurbishment should be firmer over the coming year.

Lift Division

Growth has continued at the Lift Division in Hounslow fuelled by high demand for products which meet the new European Lift Directive and continued growth in the Far East.

The UK lift industry continues to be buoyant but a shortage of skilled labour is regulating peak demand. It appears that demand will continue at current

Keypads are assembled using a computer controlled robot. This generates significant productivity improvements, but equally importantly it allows us to achieve high levels of consistent quality.



REVIEW OF OPERATIONS

CONTINUED

levels for the foreseeable future, which is encouraging.

In the coming year on the lift fixture side, we will be working hard to ensure that we can sell added value and this may require a change in the way we present ourselves to the UK industry.

This year in the UK we have launched a new autodialler product LADS2, which has a number of improvements over the current product range such as remote programming and improved diagnostics. LADS2 has been well received and it will be an important product for us in the coming year. We have also continued our success in being selected as the fixture supplier for landmark jobs – Fujitec UK will be using our US91 Compact 2 pushbuttons on the new HSBC Tower in Canary Wharf.

Overseas demand for our core push button products remains strong, but we are entering a more difficult situation in the medium term. The industry overseas is becoming more dominated by four major multi-nationals and we have been working hard to get closer to these

companies. It is important that this strategy is successful and we are pleased to report that one of these companies has recently put forward Dewhurst pushbuttons as a preferred option to their own products.

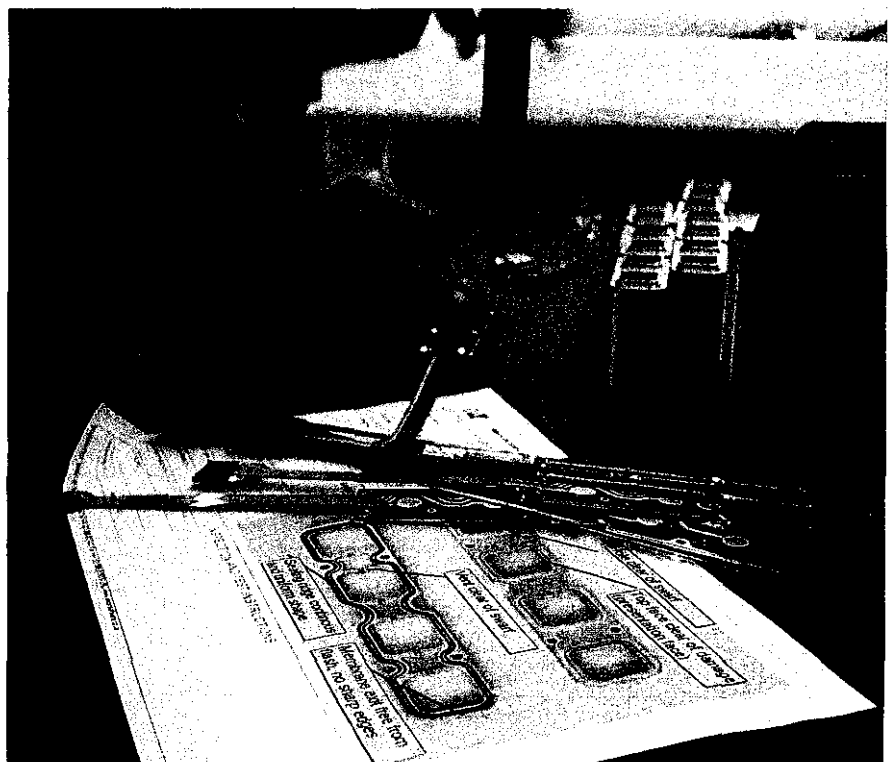
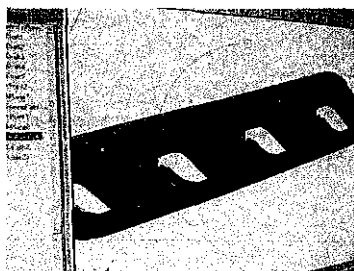
Sales focus overseas this year has been on Europe and we have appointed new Distributors in France, Spain and Poland. It is early days with these new partners but initial indications are promising.

Thames Valley Controls

It has been a year of consolidation at Thames Valley Controls. Last year a great deal of work was carried out on cost reductions and productivity improvements and this year we have benefited from those improvements. The controller market is however extremely competitive and we have to constantly look for improvements in those areas.

The good work that was done last year in Production Engineering has continued and we can now put orders on to the shop floor in a fraction of the time that it took two years ago. We are now looking to extend this

Computer technology allows us to integrate the entire process from the production of a 3D product model to the generation of work instructions highlighting quality issues.



type of modular approach to our test department.

This year has seen the launch of the new Hylogic controller, which is an entry-level product for the Hydraulic Lift market. The Hylogic has been well received and will be an important product for us in the coming year.

NORTH AMERICA

The North American market remained strong throughout the year and both our companies benefited from this. The Fixture Company made particular progress with good sales growth and a new distribution agreement.

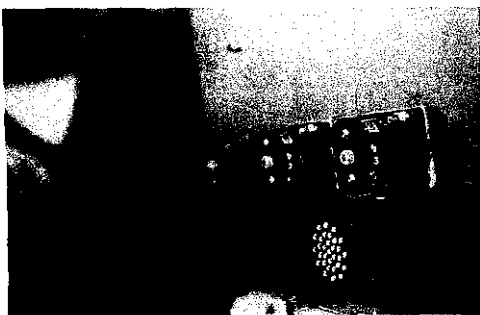
Dupar Controls

This year has been rather unsettled at Dupar Controls. We parted company with our General Manager half way through the year and it has been difficult to make the profit growth that we budgeted.

Following the loss of the General Manager we worked hard to resolve the situation and we are pleased to announce that David Dunlop has joined us as General Manager and

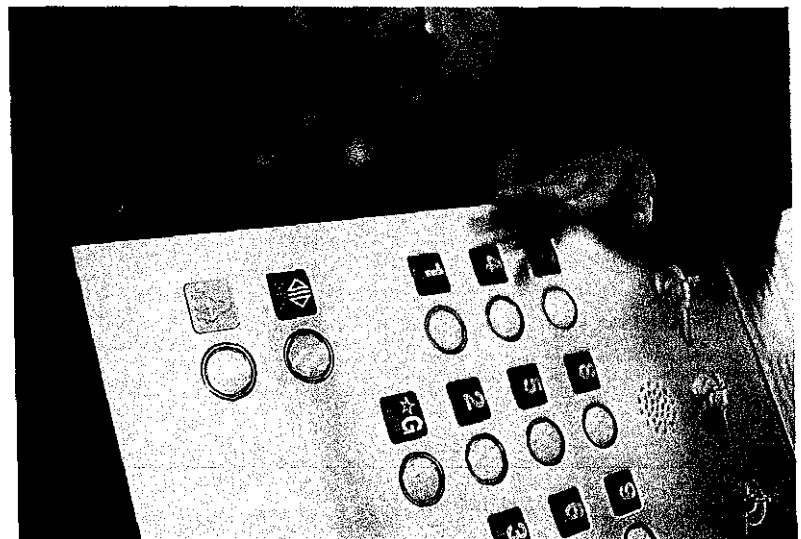
Vice President. David has many years experience in managing similar sized operations and we are confident that he will be able to provide the direction that the company requires. We wish him every success in this important role. I would also like to thank the team at Dupar for all their hard work and commitment through a difficult year.

Demand for our fixture products remains very strong in Canada and we have recently been chosen to supply fixtures for the new Terminal One at Toronto's International Airport. This is an enormous infrastructure project and we are pleased to be a part of it. Focus this year will be on shortening our lead times and ensuring that we do provide the highest levels of service to our customers in North America. Although David has only been with us a short time, he has already effected a number of improvements in our processes both in the factory and the offices and it will not be very long before our customers see the benefits of these changes.



Local configuration and assembly means we can better meet local market requirements. For this North American style panel the standards require a Braille tag to the left of the pushbutton. Other markets prefer tactile legends on the button itself.

OUR EXTENSIVE RANGE OF COMPONENTS MEANS THAT WE CAN PROVIDE CUSTOMISED PRODUCTS TO MEET A VARIETY OF GLOBAL SPECIFICATIONS



REVIEW OF OPERATIONS

CONTINUED

The Fixture Company

It has been a year of exceptional sales growth at The Fixture Company, which has laid solid foundations for the long term. Mark Menke and his team won the exclusive distribution of Formula Systems safety edges in the USA and this combined with strong fixture orders has led to our sales growth.

Formula Systems are one of the leading manufacturers of infra-red safety edges for elevators and have an established market in the US, which we are now working hard to grow. There is significant demand for these products, especially in the modernisation field, but there are many alternative safety edges, so the market is very competitive. The Formula Systems product has a number of advantages over the competition and we are targeting for strong growth in this area over the next twelve months.

On the fixture side, the coming year will be exciting with the launch of the US92 and US93 in Compact 2 form and also the availability of Compact 2 with screw down terminals. These will be important products for the US market

and will be instrumental in continuing to build our volumes there.

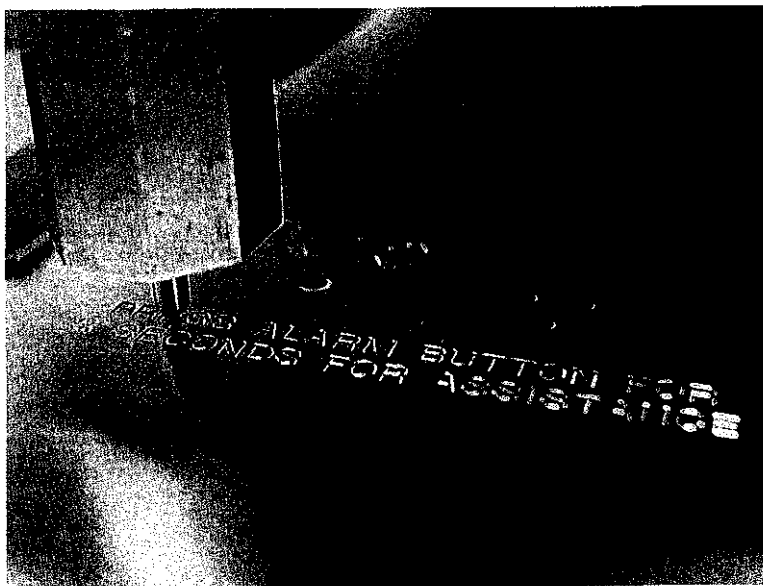
AUSTRALASIA

In February of this year Dewhurst plc acquired Australian Lift Components (ALC), who are based in Sydney, Australia.

Australian Lift Components

Dewhurst have good sales of components in Australia, but the acquisition of ALC will allow us to add a significant amount of extra value to our products in the local market.

ALC are a well established operation who specialise in the supply of complete lift fixtures to the Australian market. They have extensive sheet metal capabilities and have two laser machines in house, one cutting and shaping the faceplates and the other for marking instructions on to them. The vast majority of car operating panels that come out of the factory include displays and autodiallers and they are fully wired up to make installation on site quick and easy. ALC have their own range of pushbuttons, which we will continue to supply to the



Engraving equipment is used at Dupar Controls to provide customised information on pushbutton panels. This information is fed directly from customer approved drawings.

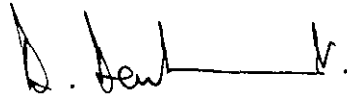


local market, but they will also increasingly supply Dewhurst products in their fixtures. There is also the opportunity for ALC to distribute other Group products in the market.

Figures from ALC to date have been broadly in line with our expectations. It is our opinion that in the short to medium term there will be a slowdown in Australia (following the boom generated

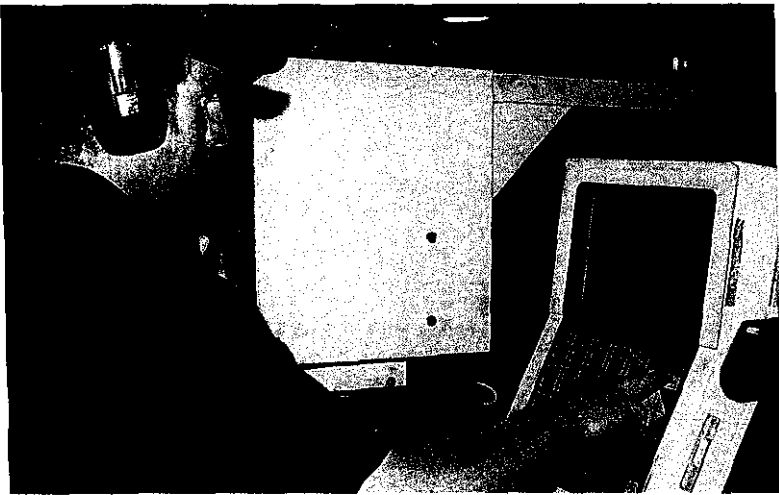
by the Olympics), but long term the outlook is good and we are excited about the opportunities this market can bring.

ALC is headed up by the Managing Director, Chris Carroll and a team of around 25 skilled personnel. We wish them a successful future as part of the Dewhurst Group.



D Dewhurst
Group Managing Director – Lift Division

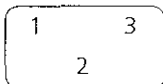
THE MAJOR EVENT OF THE YEAR WAS THE ACQUISITION OF AUSTRALIAN LIFT COMPONENTS (ALC) BASED IN SYDNEY, AUSTRALIA



ALC has a full range of sheet metal equipment for local customisation including this computer controlled punching machine.

DIRECTORS

- 1 **RICHARD DEWHURST** BA (ENG SC), ACMA
Chairman, 44, joined in 1985.
Previously with Ford Motor Co,
Ernst & Whinney Senior Management
Consultant.
- 2 **DAVID DEWHURST** BSc (Elec Eng)
Group Managing Director – Lift Division,
39, joined in 1987. Previously with
Holmes & Marchant Plc.
- 3 **DAVID MASON** CEng, MIEE, MI MGT
Production Director, 53, joined in 1992.
Previously with Kidde Graviner Ltd
(Williams Holdings Plc) Operations
Manager.
- 4 **MEL WHITE** BSc, PHD
Engineering Director, 50, joined in 1995.
Previously with ITT Cannon, Director of
Research Development and Engineering.
- 5 **RICHARD YOUNG** BSc, CEng, MIEE
Managing Director – UK Lift Division,
44, joined in 1996. Previously with MBM
Technology Ltd, Director and General
Manager.
- 6 **COLIN JOHNSON** MA, CEng, MIEE
Non-executive Director, 65, joined in
1980. Previously with RCA European
General Manager and Development
Capital Ltd Director, Group Managing
Director Dewhurst plc 1980–1996.
- 7 **KEITH BOSSARD** BSc (ENG), ACGI
Non-executive Director, 58, joined in
1979. Previously with Marconi Co. Ltd
and Plessey Plc Sales Manager. New
Business Division Director of
Dewhurst plc 1979–1999.



ADVISERS

AUDITORS

BDO Stoy Hayward
Chartered Accountants
Willoughby House
439 Richmond Road
Nr Richmond Bridge
Middlesex TW1 2HA

BANKERS

National Westminster Bank Plc
275-277 High Street
Hounslow
Middlesex TW3 1EG

REGISTRARS

Capita IRG plc
Balfour House
390/398 High Road
Ilford
Essex IG1 1NQ

STOCKBROKERS

Seymour Pierce Ltd
29/30 Cornhill
London EC3V 3NF

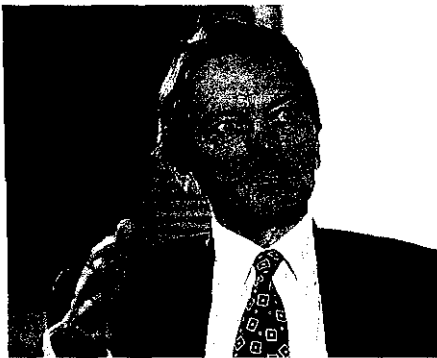
SOLICITORS

Lawrence Graham
190 Strand
London EC2R 1JN

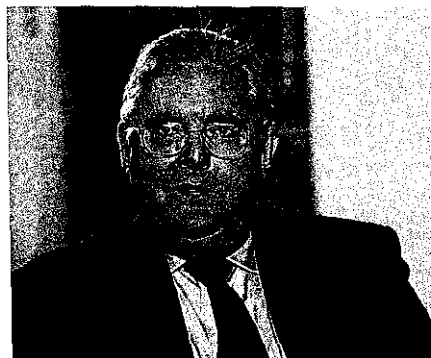
SECRETARY AND REGISTERED OFFICE

Mike Green
Dewhurst plc
Melbourne Works
Inverness Road
Hounslow
Middlesex TW3 3LT

Registered No.160314



4	5
7	6



FINANCIAL REVIEW

RESULTS

Turnover increased by 9% from £19.9 million to £21.7 million. Operating profits increased by £190,000 from £1,805,000 to £1,995,000. Net interest earned fell from £80,000 to £10,000 as a result of the loan taken to finance the investment in Australian Lift Components (ALC).

CAPITAL INVESTMENTS

Additions to fixed assets were £404,000 for the year. A major purchase was a new CNC Vertical Machining Centre which will allow us to respond more effectively to short run and prototyping requirements. We also purchased a new hydraulic shear and band saw. Our continuing investment in Information Technology focussed this year on software to link the shop floor to our administrative systems.

CASH FLOW

The group ended the year with no material change in cash and investments, which remained at £1.7 million. This position was achieved after spending a net £0.6 million on the acquisition of ALC. The acquisition cost £1.6 million in total, but this was part funded by a loan of £1.0 million. The loan is denominated in Australian Dollars to match our exposure. Trade creditors have increased substantially because one of our major suppliers cancelled a prompt payment discount, so we have reverted to monthly

payment. Operating cash flow was £2.0 million for the year. Dividends paid increased from £343,000 to £366,000.

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's reported trading profit was not significantly affected by currency movement with approximately 15% being earned in foreign currencies during the period ended 30 September 2000.

TAX AND DIVIDENDS

The tax charge for the year increased to £662,000 (33.1%) from £581,000 (30.8%). The main reasons for the increased percentage were the effect of goodwill (which is not allowable for tax) and the higher tax rates in Australia. The proposed total dividend of 3.75p per share, up 8.7% against last year (3.45p), is covered 3.5 times by earnings. Shareholders' funds improved from £8.5 million to £9.5 million, with no change in the shares in issue during the year. However shortly after the year end the company repurchased 168,500 ordinary shares.

GROUP FIVE YEAR REVIEW

	1996 £000	1997 £000	1998 £000	1999 £000	2000 £000
Turnover	15,313	16,981	18,224	19,877	21,660
Profit before taxation	777	1,204	1,642	1,885	2,005
As a percentage of shareholders' funds	11.2%	16.5%	21.3%	22.2%	21.1%
Taxation	262	393	506	581	663
Profit after taxation	515	811	1,136	1,304	1,342
Shareholders' funds	6,935	7,302	7,695	8,492	9,488
Earnings per share	4.58p	7.27p	10.42p	12.46p	13.01p
Earnings per share, diluted	4.52p	7.20p	10.34p	12.36p	12.90p
Dividends per share	2.73p	2.88p	3.15p	3.45p	3.75p

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts of the group for the 52 weeks ended 30 September 2000.

RESULTS AND DIVIDENDS

The trading profit for the period, after taxation, amounted to £1,342,485 (1999: £1,303,626).

A final dividend on the Ordinary and 'A' ordinary shares of 2.50p per 10p share (1999: 2.30p) will be proposed at the Annual General Meeting to be held on 29 January 2001. If approved, this dividend will be paid on 26 February 2001 to members on the register at 12 January 2001.

An interim dividend of 1.25p per share (1999: 1.15p) was paid on 4 September 2000.

These dividends absorb £382,738 (1999: £355,994) of the profit for the period leaving a balance retained of £959,747 (1999: £947,632) which has been transferred to group reserves.

ACTIVITIES AND REVIEW OF THE BUSINESS

The group manufactured, throughout the period, electrical components and control equipment for industrial and commercial capital goods, and maintained its position as a specialist supplier of lift equipment to that industry. A review of the group's operations is dealt with on pages 4-9.

FIXED ASSETS

The company has adopted the transitional arrangements of FRS 15 "Tangible Fixed Assets" and retained the revaluation of the parent company's land and buildings which took place in 1977. The directors believe that the market value of the freehold land and buildings is in excess of the book value. The movements in fixed assets during the period are set out in the notes to the accounts.

DIRECTORS

The members of the board during the period were:

Mr R M Dewhurst

Mr D Dewhurst

Mr D F Mason

Dr M D White

Mr R Young (appointed 1 February 2000)

Mr C Johnson (non-executive)

Mr K F C Bossard (non-executive from 1 February 2000)

Dr M D White retires by rotation and offers himself for re-election. The unexpired period of Dr M D White's service agreement is less than one year. Mr R Young having been appointed to the Board since the last Annual General Meeting, being eligible, offers himself for re-election. The unexpired period of Mr R Young's service agreement is less than one year.

Details of directors' interests are stated in the Remuneration Report.

AUTHORITY TO PURCHASE SHARES

On 6 October 2000 the company purchased 168,500 of its own Ordinary 10p shares for £139,686. At the time of purchase these shares amounted to 1.63% of the called up share capital of the company and have been cancelled.

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

An Ordinary Resolution will be proposed at this year's Annual General Meeting to renew the company's authority to purchase in the market up to 179,710 Ordinary shares and 327,800 'A' non-voting ordinary shares, representing 5% of the issued share capital at a price of not less than 10p and not more than 105% of the average of the middle market quotations for such shares as derived from the Stock Exchange Daily Official List for ten days preceding the day of purchase.

If granted, the authority would expire at the 2002 Annual General Meeting. It

REPORT OF THE DIRECTORS

CONTINUED

would be the intention of the board to request the renewal of the authority at that time.

The board would only intend to exercise such authority after careful consideration and when it was satisfied that it would be for the benefit of the company and in the best interests of shareholders generally, after taking into account alternative investment opportunities and the effect of any such purchases on the overall financial position of the company.

SUBSTANTIAL SHAREHOLDERS

At 6 December 2000 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 in the Remuneration Report).

Mr A Dewhurst	360,000
Mrs V E Dewhurst	285,000
Capel-Cure Myers Nominees Ltd	213,000
Mrs M Meredith	190,208
Perpetual Unit Trust Management Ltd	190,000
Mrs E Dewhurst	175,333
Mrs R McAlister	164,779
Circle Nominees Ltd	128,345
Mr J H Ridley	126,000

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:

HSBC Global Custody Nominee (UK) Ltd	1,427,033
Mrs V E Dewhurst	369,377
Barfield Nominees Ltd	200,000
Mrs R McAlister	197,628

EMPLOYEE INVOLVEMENT

Meetings, chaired by the Chairman, 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.

HEALTH AND SAFETY

Constant attention is given to health and safety with particular regard to the requirements of the Health and Safety at Work Act 1974 and related legislation.

EMPLOYMENT OF DISABLED PERSONS

Full and fair consideration is given to the employment of disabled persons, having regard to their particular aptitudes and abilities. Wherever possible, continuing employment is provided for employees who become disabled with appropriate arrangements for re-training being made where necessary.

SUPPLIER PAYMENTS POLICY

The company's policy concerning the payment of its trade creditors is to arrange the best possible terms with its suppliers and then pay as appropriate to those terms, subject to satisfactory performance by the supplier.

Any contractual or legal obligations would be honoured with creditors being paid by the agreed dates to satisfy such contracts and commitments.

As at the financial year end the number of days purchases outstanding was twenty seven.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The group has made no political contributions this year (1999: £Nil).

Charitable donations made by the group to local schools and community projects amounted to £688 (1999: £545).

AUDITORS

A resolution to re-appoint BDO Stoy Hayward as auditors for the ensuing year will be proposed at the Annual General Meeting.

CORPORATE GOVERNANCE

Whilst in general we support the objectives of the code, we do not feel that some of its recommendations for

best practice are appropriate for companies of our size. In certain areas we consider the proposals to be too bureaucratic for a small company with a small board. The board confirms that the company has complied with the provisions set out in Section 1 of the Combined Code, which was issued on 25 June 1998, except that the company only has two non-executive directors, the remuneration committee does not consist solely of independent non-executive directors, the audit committee does not consist of the minimum number of non-executive directors and that two of the directors are not required to submit themselves for re-election. The board has decided to restrict its reporting on internal controls to internal financial controls. The board describes below how the principles identified in the Combined Code already referred to above are applied by the company.

Board of directors

The board consists of seven directors with a chairman and a group managing director responsible for the lift division which forms a major part of the group activities. Two of the directors are non-executive and, whilst not independent according to the terms of the code, have a wealth of experience and understanding of the company. This is valued by the board and the director's views certainly carry weight in the board's decisions.

Corporate Governance codes encourage us to have several non-executive directors. As a result we are asking shareholders to approve a change to our Articles of Association to increase the number of directors we may appoint.

Independent professional advice for directors is channelled through the company secretary, to whom all directors have access. This practice operates satisfactorily and it is not considered a formal procedure is required.

The procedure adopted for the appointment of new directors to the

board is for all directors to be involved in the appointment in place of a formal nomination committee.

The training needs in respect of new appointments to the board are assessed and arrangements put in place as appropriate.

Internal Controls

The directors are responsible for the company's system of internal financial control. The system is designed to provide reasonable but not absolute assurance against material mis-statement or loss. The board of directors has overall responsibility for the company's system of internal control. The board meets nine times a year to review the management of the business and has a formal schedule of matters specifically reserved to it for decision.

The company operates a comprehensive annual budgeting and financial operating system which compares results with budget on a monthly basis. At each of its meetings the board reviews the performance of the major business units across the group.

The group has put in place an organisational structure with clearly defined lines of authority and accountability. An internal audit service has been put in place which monitors compliance as part of a programme of review work. The internal audit programme is constructed using risk assessment techniques to develop an appropriate cycle of activity reviews having regard to the key aspects of the business. The plans and results of internal audit activities are reviewed by the Audit Committee.

In September 1999 the London Stock Exchange wrote to all listed companies following the publication of "Internal Control: Guidance for Directors on the Combined Code". This guidance now encompasses internal controls to cover all risks rather than just internal financial controls, but there are transitional arrangements for the current year.

REPORT OF THE DIRECTORS

CONTINUED

As a result the report above for the year ended 30 September 2000 only covers internal financial control and does not address other matters.

The board is however establishing the necessary procedures to implement the guidance "Internal Control: Guidance for Directors on the Combined Code" and will comply with the guidance for the year ending 30 September 2001.

Shareholder communications

A copy of the Annual Report and Accounts published by the company is sent to every shareholder.

Meetings with institutional investors are held on a regular basis. There is also an opportunity for individual and institutional shareholders to question directors at the Annual General Meeting and to discuss with them any less formal issues at the conclusion of that meeting. Voting at the meeting is by way of a show of hands by members present at the meeting, with the number of proxy votes, for and against being taken into account and announced if required.

Remuneration committee

The company complies with the provisions regarding executive directors, except that directors' remuneration is determined by an informal committee of the chairman and a non-executive director.

The role of the remuneration committee is to establish board policy in respect of terms of employment, including remuneration packages for each executive director. The remuneration committee seeks to ensure that directors are fairly and responsibly rewarded for their individual contributions.

Audit committee

The audit committee is comprised of two non-executive directors. The audit committee in conjunction with the board review the interim and financial statements together with the reports produced by the internal and external auditors.

The group's pension funds are maintained separately from the group's finances and are invested with Legal and General Investment Management Ltd, a major insurance company, and Friends Provident. The trustees meet regularly and all meetings are minuted.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the company continues to adopt the going concern basis in preparing the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

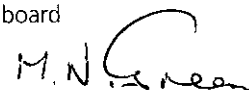
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing the group's accounts, the directors confirm that they have:

- 1 selected suitable accounting policies and applied them consistently;
- 2 made judgements and estimates that are reasonable and prudent;
- 3 followed applicable accounting standards; and
- 4 prepared the accounts on a going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

M N Green
Secretary



REMUNERATION REPORT

This report contains the information required by the relevant parts of the Listing Rules of the Financial Services Authority. As stated above, the company has not complied with the Listing Rules throughout the year under review in that the Remuneration Committee does not consist exclusively of non-executive directors.

The term "benefits" includes the provision of a car, fuel and private health insurance.

4 PENSION CONTRIBUTIONS

The executive directors participate in a pension scheme funded partly by contributions from the company and by directors' own contributions of 5½% of their basic salary, directors' fees and

1 DETAILS OF REMUNERATION

Details of the remuneration packages of each director, their interests in the share capital of the company and any outstanding share options are given on pages 17 and 18. All executive directors receive bonuses directly related to the profitability of the group.

profit related bonus. It will provide them, at normal retirement age of 65 years, subject to length of service, Inland Revenue limits and other statutory rules, with a pension of up to two thirds of their basic salary, directors' fees and profit related bonus.

2 FEES FOR NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive directors is determined by the Chairman of the Board.

5 SERVICE AGREEMENTS

It is the policy of the company to appoint executive directors subject to a service agreement requiring not more than 24 months' notice to be given by either party. These appointments are subject to election and re-election at the relevant Annual General Meeting according to the Memorandum and Articles of Association.

3 BENEFITS

Details of benefits are given on pages 17 and 18.

DIRECTORS' EMOLUMENTS AND INTERESTS

Emoluments

The emoluments of the directors were as follows:

	2000 £	1999 £
Salaries and benefits	437,104	388,460
Payments made to non-executive directors	24,873	17,125
	461,977	405,585

	Basic salary and fees £	Benefits in kind £	Profit related bonus £	2000 Total £	1999 Total £
Executive directors:					
Mr R M Dewhurst	81,435	10,929	30,030	122,394	110,230
Mr D Dewhurst	67,159	10,296	24,116	101,571	93,201
Mr D F Mason	49,085	8,564	9,753	67,402	62,051
Dr M D White	48,750	8,745	9,753	67,248	62,421
Mr R Young (from 1.2.00)	34,667	7,367	18,282	60,316	-
Mr K F C Bossard (to 31.1.00)	16,077	2,096	-	18,173	60,557
Non-executive directors:					
Mr C Johnson	5,588	532	9,753	15,873	17,125
Mr K F C Bossard (from 1.2.00)	9,000	-	-	9,000	-

Mr R M Dewhurst was the highest paid director with emoluments of £122,394 (1999: £110,230).

REMUNERATION REPORT

CONTINUED

Directors' interests

The table below sets out the names of the persons who were directors of the company during the financial year ended 30 September 2000 together with details of their own and their families' beneficial interests in the shares of the company at that date and corresponding details at 3 October 1999.

	30 September 2000		3 October 1999	
	Ordinary Shares	'A' ordinary Shares	Ordinary Shares	'A' ordinary Shares
Mr R M Dewhurst	468,072	133,666	468,072	133,666
Mr D Dewhurst	409,595	79,612	409,595	79,417
Mr D F Mason	1,040	—	1,040	—
Dr M D White	1,000	—	1,000	—
Mr R Young	1,000	—	—	—
Mr C Johnson	20,000	45,000	30,000	45,000
Mr K F C Bossard	6,000	1,000	6,000	1,000

No transactions have taken place between the end of the financial year and 6 December 2000.

At 30 September 2000 the following share options had been allotted to the directors (see note 18):

	Option prices	2000		1999	
		Ordinary shares	'A' ordinary shares	Ordinary shares	'A' ordinary shares
Mr R M Dewhurst	39p–59p	16,000	32,000	16,000	32,000
Mr D F Mason	53p–54p	8,000	16,000	8,000	16,000

As at 30 September 2000 the market price of an Ordinary 10p share was 79p and the range during the year was 79p to 117p. At 30 September 2000 the market price of an 'A' ordinary 10p share was 57p and the range during the year was 57p to 71p.

During the financial year no director was materially interested in any contract which was significant to the group's business.

Directors' pension entitlements

A table of pension benefits for the five directors who participate in a defined benefits scheme is shown below. The pension entitlement shown is that which would be paid annually on retirement, based on service to the end of the year. The increase in accrued pension during the year excludes any increase for inflation. Members of the scheme have the option to pay additional voluntary contributions; neither the contributions nor the resulting benefits are included in the table below.

	Age at year end	Director's contributions in year	Increase in accrued pension during the year	Accumulated total accrued pension at year end
Mr R M Dewhurst	44	5,584	10,094	48,592
Mr D Dewhurst	39	4,402	6,866	32,906
Mr D F Mason	53	3,236	1,445	8,195
Dr M D White	50	3,218	1,239	4,427
Mr R Young	44	2,912	1,704	4,977

A spouse's pension of 50% is payable in the event of the member's death. An increase in pension up to 5% or inflation, whichever is the lower, will be made to pensions after retirement for that service after 5 April 1997 only. Early retirement rights and options are as laid down in the rules of the scheme and apply to all members. The non-executive directors are not members of the scheme.

REPORT OF THE AUDITORS

TO THE MEMBERS OF DEWHURST PLC

We have audited the financial statements on pages 20 to 35, which have been prepared under the accounting policies set out on page 24.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as described on page 16 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the Financial Service Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company is not disclosed.

We review whether the statement on pages 14 to 16 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if

we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward
Chartered Accountants
and Registered Auditors

Richmond
6 December 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2000

	Notes	2000 (52 weeks) £	1999 (53 weeks) £
Turnover			
– continuing operations		20,608,203	19,876,599
– acquisitions		1,051,903	–
	2	21,660,106	19,876,599
Operating costs	3	(19,664,938)	(18,071,476)
Operating profit			
– continuing operations		1,883,361	1,805,123
– acquisitions		111,807	–
		1,995,168	1,805,123
Net interest	5	10,235	79,900
Profit on ordinary activities before taxation		2,005,403	1,885,023
Tax on profit on ordinary activities	6	(662,918)	(581,397)
Profit for the financial year	7	1,342,485	1,303,626
Dividends per 10p ordinary share	8		
Interim paid of 1.25p (1999: 1.15p)		(128,983)	(118,664)
Proposed final of 2.50p (1999: 2.30p)		(253,755)	(237,330)
		(382,738)	(355,994)
Retained profit for the financial year	19	959,747	947,632
Basic earnings per share	8	13.01p	12.46p
Diluted earnings per share	8	12.90p	12.36p

A statement of movements on reserves can be found in note 19.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Profit for the financial year attributable to shareholders	1,342,485	1,303,626
Currency translation differences on foreign currency net investments	55,961	69,542
Taxation in respect of exchange translation differences	(20,488)	–
Total recognised gains and losses for the financial year	1,377,958	1,373,168

The notes on pages 24 to 35 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 30 September 2000

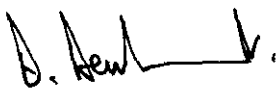
	Notes	£	2000 £	£	1999 £
Fixed assets					
Intangible	9		1,327,290		–
Tangible					
– Land and buildings	10	1,388,823		1,374,420	
– Plant and machinery	10	1,769,156		1,683,995	
			3,157,979		3,058,415
			4,485,269		3,058,415
Current assets					
Stocks	12	4,150,620		3,492,022	
Debtors	13	4,050,268		3,316,454	
Investments	14	26,501		23,193	
Cash at bank and in hand		1,707,376		1,702,037	
		9,934,765		8,533,706	
Creditors: amounts falling due within one year	15	4,053,157		2,927,646	
Net current assets			5,881,608		5,606,060
Total assets less current liabilities			10,366,877		8,664,475
Creditors: due after one year	16		734,254		–
Provisions for liabilities and charges	17		145,000		172,072
Net assets			9,487,623		8,492,403
Capital and reserves					
Called up share capital	18		1,031,870		1,031,870
Share premium account	19		126,658		126,658
Revaluation reserve	19		423,001		423,001
Capital redemption reserve	19		96,940		96,940
Profit and loss account	19		7,809,154		6,813,934
Equity shareholders' funds	20		9,487,623		8,492,403

The financial statements were approved by the board of directors on 6 December 2000 and were signed on its behalf by:

R M Dewhurst Chairman



D Dewhurst Group Managing Director – Lift Division



The notes on pages 24 to 35 form part of these financial statements.

COMPANY BALANCE SHEET

At 30 September 2000

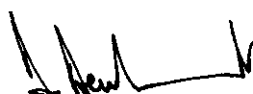
	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible					
– Land and buildings	10	716,985		723,745	
– Plant and machinery	10	1,169,474		1,239,173	
			1,886,459		1,962,918
Investments – shares in subsidiary undertakings	11		1,948,214		334,770
			3,834,673		2,297,688
Current assets					
Stocks	12	2,760,847		2,600,230	
Debtors	13	3,170,793		3,068,621	
Cash at bank and in hand		1,613,510		1,459,093	
			7,545,150		7,127,944
Creditors: amounts falling due within one year	15	2,720,684		2,036,248	
Net current assets			4,824,466		5,091,696
Total assets less current liabilities			8,659,139		7,389,384
Creditors: due after one year	16		671,387		–
Provisions for liabilities and charges	17		176,207		187,442
Net assets			7,811,545		7,201,942
Capital and reserves					
Called up share capital	18		1,031,870		1,031,870
Share premium account	19		126,658		126,658
Revaluation reserve	19		423,001		423,001
Capital redemption reserve	19		96,940		96,940
Profit and loss account	19		6,133,076		5,523,473
Equity shareholders' funds			7,811,545		7,201,942

The financial statements were approved by the board of directors on 6 December 2000 and were signed on its behalf by:

R M Dewhurst Chairman



D Dewhurst Group Managing Director – Lift Division



The notes on pages 24 to 35 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2000

	Notes	£	2000 (52 weeks) £	£	1999 (53 weeks) £
Net cash inflow from operating activities	23		1,982,424		1,959,936
Returns on investments and servicing of finance:					
Interest and dividends received		57,073		80,682	
Interest paid		(45,711)		(782)	
Interest element from finance lease rental payments		(1,127)		-	
Net cash inflow from returns on investments and servicing of finance			10,235		79,900
Taxation:					
UK taxation		(336,663)		(587,269)	
Overseas taxation		(134,670)		(104,366)	
Net cash outflow from taxation			(471,333)		(691,635)
Capital expenditure and financial investment:					
Purchase of fixed assets		(403,122)		(582,262)	
Sale of tangible fixed assets		52,462		55,978	
Net cash outflow from capital expenditure & financial investment			(350,660)		(526,284)
Acquisitions and disposals:					
Purchase of subsidiary undertakings	24	(1,664,321)		-	
Net cash outflow from acquisitions			(1,664,321)		-
Equity dividends paid			(366,313)		(342,603)
Net cash inflow/(outflow) before use of liquid resources and financing			(859,968)		479,314
Management of liquid resources					
Sale/(purchase) of short-term deposits			752,400		(752,400)
Financing					
Bank loan		1,000,000		-	
Bank loan repayments		(93,209)		-	
Capital element of finance lease rental payments		(41,484)		-	
Repurchase of shares		-		(219,919)	
			865,307		(219,919)
Increase/(decrease) in cash in period			757,739		(493,005)

The notes on pages 24 to 35 form part of these financial statements.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Accounting convention The group accounts have been prepared under the historical cost convention as modified by the transitional arrangements which have been followed this year on adopting FRS 15 "Tangible Fixed Assets" and the effects of translation of foreign currencies. The accounts are prepared in accordance with applicable accounting standards.

Consolidation The group accounts consolidate the accounts of the company and the subsidiary undertakings using the acquisition accounting method, as at 30 September. A separate profit and loss account dealing with the results of the company has not been presented, as permitted by section 230 of the Companies Act 1985.

Investments Fixed asset investments: In the accounts of the company, investments held as fixed assets are stated at cost less provision for diminution in value. Current asset investments: Investments held as current assets are stated at the lower of cost and net realisable value.

Goodwill Any difference between the cost of acquisition of a subsidiary undertaking and the fair value of its separable net assets at acquisition is capitalised as goodwill. Goodwill carried in the balance sheet as an intangible asset is amortised, on a straight line basis, over a period of 10 years with such period being chosen to reflect its expected useful life. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed assets As permitted by FRS 15 the Group has adopted a policy of not revaluing properties, under the transitional provisions of FRS 15, previously revalued properties are included at their valuation at September 1982 less depreciation.

Depreciation Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation less residual value over the expected useful life. The annual rates generally applicable are:

Freehold buildings	– 1½% or 5%	– on a declining balance basis
Plant and machinery	– 10% to 33½%	– on a straight-line basis
Motor vehicles	– 25% to 30%	– on a straight-line basis

Stocks Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost represents direct materials, labour and appropriate production overheads.

Deferred taxation Deferred taxation is provided to take account of timing differences between profit as computed for taxation purposes and profit as stated in the accounts, except where the liability is not expected to crystallise in the foreseeable future.

Foreign currencies Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and exchange differences are taken to reserves. All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves. The results for the year of Dupar Controls Inc., The Fixture Company and Australian Lift Components Pty Ltd have been translated at an average rate of exchange for the year.

Research and development Research and development costs are written off in the year of expenditure.

Leased assets Assets funded through finance leases are capitalised in tangible fixed assets. The interest element is charged to the profit and loss account over the life of the lease in proportion to the outstanding commitment. Rentals under operating leases are charged to the profit and loss account as incurred.

Pension costs The group operates both a defined benefit and defined contribution type scheme. The majority of the group's employees belong to pension schemes which are funded by both employer's and employees' contributions and which are of the defined benefit type. 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. Any difference between the cost charged and the amounts paid by the group is treated as a prepayment or accrual. Contributions in respect of the defined contribution schemes are charged to the profit and loss account as incurred.

Financial instruments In relation to the disclosures made in note 26, trade debtors and trade creditors are treated as financial assets or liabilities. The group does not hold or issue derivative financial instruments for trading purposes.

2 TURNOVER

Turnover represents the invoiced value of sales less returns and sales taxes.

A geographical analysis of turnover is as follows:

	2000		1999	
	£	%	£	%
United Kingdom	13,047,429	60	13,564,855	69
Africa and Middle East	61,440	1	162,859	1
The Americas	3,270,038	15	2,868,410	14
Europe	1,096,880	5	659,531	3
Australia and Asia	4,184,319	19	2,620,944	13
	21,660,106	100	19,876,599	100

In the opinion of the directors, disclosure of turnover by class of business and net assets and profits by both class of business and geographical location would be prejudicial to the activities of the group.

3 OPERATING COSTS

	2000	1999
	£	£
Movement in trading stocks and work-in-progress	(658,597)	(101,229)
Raw materials and consumables	9,165,704	7,873,327
Other external charges	346,207	455,158
Staff costs (see note 4)	7,637,080	7,123,952
Depreciation	525,661	457,228
Goodwill amortisation	100,246	—
Other operating charges	2,548,637	2,263,040
Operating costs	19,664,938	18,071,476

Depreciation includes £17,618 (1999: £Nil) charged on assets held under finance leases and hire purchase contracts. Other operating charges include lease rentals on premises £83,397 (1999: £51,250), auditors' remuneration £47,554 (1999: £35,677), non audit fees paid to the holding company's auditors £29,169 (1999: £29,985) and profit on sale of fixed assets £19,727 (1999: £21,401). Expenditure on research and development was £748,000 (1999: £831,500).

4 STAFF COSTS AND INFORMATION REGARDING EMPLOYEES

Costs during the year, including directors' emoluments which are disclosed in the remuneration report, were as follows:

	2000	1999
	£	£
Wages and salaries	6,686,650	6,191,835
Social security costs	472,459	455,637
Pension costs	477,971	476,480
	7,637,080	7,123,952

The average number of employees of the group during the year was:

	2000	1999
	No	No
Office and management	152	136
Manufacturing	217	212
	369	348

NOTES TO THE ACCOUNTS

CONTINUED

5 NET INTEREST

	2000 £	1999 £
Bank deposit interest	57,073	80,682
Less:		
Interest payable on bank overdraft and loan repayable within five years	(45,332)	(742)
Interest payable on finance leases	(1,127)	—
Other interest payable	(379)	(40)
	10,235	79,900

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK Corporation Tax at 30% (1999: 31%)	529,001	472,940
Deferred taxation	(11,365)	8,552
Adjustment on prior year tax	61	3,770
Overseas taxation	145,221	96,135
Taxation charge	662,918	581,397

7 PROFIT FOR THE FINANCIAL PERIOD

This includes £1,075,130 (1999: £1,149,108) of profit after tax which has been dealt with in the accounts of the holding company.

8 EARNINGS PER SHARE AND DIVIDENDS PER SHARE

	2000 No	1999 No
Weighted average number of shares		
For basic earnings per share	10,318,698	10,464,717
Share options outstanding	85,500	85,500
<i>For diluted earnings per share</i>	10,404,198	10,550,217

The calculation of basic earnings per share is based on the profit attributable to shareholders and on 10,318,698 Ordinary 10p and 'A' ordinary 10p shares, being the weighted average number of shares in issue throughout the financial year.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all share options granted to employees outstanding at the period end, as detailed in note 18.

The final proposed dividend is based on 3,594,200 Ordinary 10p shares and 6,555,998 'A' ordinary 10p shares, being the expected number of shares on the proposed record date.

9 INTANGIBLE FIXED ASSETS

	The Group		Total £
	Goodwill on consolidation £	Other £	
Cost or valuation:			
At 4 October 1999	-	-	-
Subsidiary undertaking acquired	-	3,960	3,960
Additions	1,528,353	2,436	1,530,789
Exchange adjustment	(106,916)	(297)	(107,213)
At 30 September 2000	1,421,437	6,099	1,427,536
Amortisation:			
At 4 October 1999	-	-	-
Charge for the year	100,246	-	100,246
At 30 September 2000	100,246	-	100,246
Net book value:			
At 30 September 2000	1,321,191	6,099	1,327,290
At 3 October 1999	-	-	-

10 TANGIBLE FIXED ASSETS

	The Group		The Company	
	Freehold land and buildings £	Plant and machinery £	Freehold land and buildings £	Plant and machinery £
Cost or valuation:				
At 4 October 1999	1,610,889	4,057,214	888,811	3,130,500
Exchange adjustment	24,716	35,901	-	-
Subsidiary undertaking acquired	2,653	223,770	-	-
Additions	12,643	391,068	-	255,056
Disposals	-	(339,355)	-	(294,360)
At 30 September 2000	1,650,901	4,368,598	888,811	3,091,196
Depreciation:				
At 4 October 1999	236,469	2,373,219	165,066	1,891,327
Exchange adjustment	4,497	24,541	-	-
Subsidiary undertaking acquired	-	3,752	-	-
Charge for the year	21,112	504,549	6,760	316,176
Disposals	-	(306,619)	-	(285,781)
At 30 September 2000	262,078	2,599,442	171,826	1,921,722
Net book value:				
At 30 September 2000	1,388,823	1,769,156	716,985	1,169,474
At 3 October 1999	1,374,420	1,683,995	723,745	1,239,173

NOTES TO THE ACCOUNTS

CONTINUED

TANGIBLE FIXED ASSETS CONTINUED

The cost or valuation figures for land and buildings comprise:

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Valuation made in 1977	590,000	590,000	590,000	590,000
Valuation made in 1982	32,000	32,000	32,000	32,000
Stated at historical cost	1,028,901	988,889	266,811	266,811
	1,650,901	1,610,889	888,811	888,811

The net book value of land and buildings comprises:

	£	£	£	£
Freehold land	392,747	388,698	270,000	270,000
Freehold buildings	996,076	985,722	446,985	453,745
	1,388,823	1,374,420	716,985	723,745

The amount attributed to land and buildings as determined by historical cost accounting rules are:

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Cost	1,228,000	1,188,000	466,000	466,000
Depreciation	186,000	176,000	110,000	108,000
Net book value at 30 September 2000	1,042,000	1,012,000	356,000	358,000

The net book value of tangible fixed assets for the group includes an amount of £130,087 (1999: £Nil) in respect of assets held under finance leases and hire purchase contracts.

Capital commitments contracted by the group and the company amounted to £Nil (1999: £82,243).

11 FIXED ASSET INVESTMENTS – SHARES IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are:

	2000 £	1999 £
Cost:		
Dupar Controls Inc.	34,770	34,770
Thames Valley Controls Ltd	300,000	300,000
The Fixture Company	31,852	31,852
Australian Lift Components Pty Ltd (acquired in year)	1,613,444	–
	1,980,066	366,622
Provision for diminution in value	(31,852)	(31,852)
	1,948,214	334,770

The company has four wholly-owned subsidiaries, Dupar Controls Inc., registered and principally operating in Canada, Thames Valley Controls Ltd, registered in England, The Fixture Company, registered and principally operating in the United States of America and Australian Lift Components Pty Ltd, registered and principally operating in Australia. All four companies have similar principal activities to Dewhurst plc. The parent company has guaranteed borrowings between two of its subsidiary undertakings of £209,694 (1999: £191,682).

12 STOCKS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Raw materials and consumables	1,810,224	1,281,867	1,163,547	946,133
Work-in-progress	554,677	598,033	446,913	461,218
Finished goods and goods for re-sale	1,785,719	1,612,122	1,150,387	1,192,879
	4,150,620	3,492,022	2,760,847	2,600,230

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 DEBTORS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Amounts falling due within one year:				
Trade debtors	3,900,675	3,217,250	1,960,673	1,902,048
Amounts due from subsidiary undertakings	–	–	502,471	494,541
Other debtors	1,168	3,603	1,168	2,682
Prepayments and accrued income	148,425	95,601	106,481	69,350
	4,050,268	3,316,454	2,570,793	2,468,621
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	–	–	600,000	600,000
	4,050,268	3,316,454	3,170,793	3,068,621

14 CURRENT ASSETS – INVESTMENTS

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Cost and market value:				
Unlisted Overseas Government Securities	26,501	23,193	–	–

15 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Bank loan	167,110	–	167,110	–
Trade creditors	1,449,074	1,092,949	881,649	706,765
Corporation tax and overseas tax	525,295	229,454	371,206	184,679
Other taxes and social security costs	362,125	315,206	201,053	198,476
Obligations under finance leases	47,106	–	–	–
Other creditors	185,742	155,159	139,844	125,642
Accruals and deferred income	1,062,950	897,548	706,067	583,356
Proposed dividend	253,755	237,330	253,755	237,330
	4,053,157	2,927,646	2,720,684	2,036,248

NOTES TO THE ACCOUNTS

CONTINUED

16 CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Bank loan	671,387	–	671,387	–
Obligations under finance leases	62,867	–	–	–
	734,254	–	671,387	–

The AUS\$2,532,500 bank loan taken out to fund the acquisition of Australian Lift Components Pty Ltd is subject to interest at 1.5% above the bank's currency base rate. This loan is treated as a hedge against the investment.

Financial liabilities are due:

	Bank Loan		Finance Leases		Total	
	2000 £	1999 £	2000 £	1999 £	2000 £	1999 £
– one year or less	167,110	–	47,106	–	214,216	–
– between one and two years	179,304	–	54,796	–	234,100	–
– two to five years	492,083	–	8,071	–	500,154	–
	838,497	–	109,973	–	948,470	–

17 PROVISION FOR LIABILITIES AND CHARGES

	The Group £	The Company £
Deferred taxation:		
At 4 October 1999	9,072	24,442
Exchange adjustment	2,293	–
Transfer to/(from) profit and loss account	(11,365)	6,765
At 30 September 2000	–	31,207

Provision for liabilities and charges provided in full is as follows

	The Group		The Company	
	2000 £	1999 £	2000 £	1999 £
Deferred taxation – accelerated capital allowances	79,927	61,031	60,277	45,892
– other timing differences	(79,927)	(51,959)	(29,070)	(21,450)
Warranty provision	145,000	163,000	145,000	163,000
	145,000	172,072	176,207	187,442

Warranties are provided in the normal course of business based on an assessment of future claims with reference to past claims. Unused warranty provisions released during the period amounted to £44,714 (1999: £128,213).

18 CALLED UP SHARE CAPITAL

	2000 £	1999 £
Allotted and fully paid:		
Shares of 10p each – 3,762,700 (1999: 3,762,700) Ordinary	376,270	376,270
– 6,555,998 (1999: 6,555,998) 'A' non-voting ordinary	655,600	655,600
	1,031,870	1,031,870

In October 2000 the company purchased 168,500 of its own Ordinary shares. For details see the note in the report of the directors on page 13.

	2000 £	1999 £
Authorised:		
Shares of 10p each – 4,500,000 Ordinary	450,000	450,000
– 9,000,000 'A' non-voting ordinary	900,000	900,000
	1,350,000	1,350,000

Share options

At the balance sheet date the following options were outstanding:

Date option granted	Shares of 10p each	Option price per share	Period exercisable	Number of options outstanding
22.8.1991	Ordinary shares	59p	22.8.1994 – 21.8.2001	19,500
22.8.1991	'A' non-voting ordinary	39p	22.8.1994 – 21.8.2001	39,000
25.8.1993	Ordinary shares	54p	25.8.1996 – 24.8.2003	9,000
25.8.1993	'A' non-voting ordinary	53p	25.8.1996 – 24.8.2003	18,000

No options have lapsed or been exercised during the period.

Details of directors' interests in the shares of the company are disclosed in the remuneration report on page 18.

19 RESERVES

	The Group				The Company			
	Revaluation reserve £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 4 October 1999	423,001	96,940	126,658	6,813,934	423,001	96,940	126,658	5,523,473
Exchange adjustments on net investments on subsidiaries	–	–	–	(32,821)	–	–	–	(151,083)
Exchange adjustments on loan	–	–	–	68,294	–	–	–	68,294
Retained profits for the year	–	–	–	959,747	–	–	–	692,392
At 30 September 2000	423,001	96,940	126,658	7,809,154	423,001	96,940	126,658	6,133,076

NOTES TO THE ACCOUNTS

CONTINUED

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Total recognised gains and losses for the period	1,377,958	1,373,168
Dividends	(382,738)	(355,994)
Share capital cancelled	–	(219,919)
Net increase in shareholders' funds	995,220	797,255
Shareholders' funds at 4 October 1999	8,492,403	7,695,148
Shareholders' funds at 30 September 2000	9,487,623	8,492,403

21 PENSIONS

The group operates pension schemes in the UK, Canada and Australia. The UK operates both a defined contribution scheme and a defined benefit scheme, the assets of which are held in trustee administered funds. The Canadian and Australian schemes are of the defined contribution type. The total pension cost for the group was £477,971 (1999: £476,480), of which £32,171 (1999: £8,571) relates to schemes outside the UK. There were no outstanding or prepaid contributions at the balance sheet date in respect of either scheme.

The pension cost relating to the UK scheme is assessed in accordance with the advice of qualified actuaries using the projected unit method. The latest actuarial valuation of the scheme was on 1 June 1997. Generally, it has been assumed that future investment returns would be at rates not exceeding 8% per annum and that increases in earnings would average 6% per annum.

At the date of the latest actuarial valuation of the UK scheme, the market value of the assets of the scheme exceeded £6.0 million and the funding level on the ongoing valuation basis was 104%. The 1997 actuarial valuation takes account of the position of existing pensioners when assessing the assets and liabilities of the fund. This has become standard actuarial practice. The 2000 actuarial valuation is in the process of being completed.

22 LEASE COMMITMENTS

Annual commitments under operating leases expiring:

	2000 Land and buildings £	The Group 1999 Land and buildings £
Within one year	32,847	17,415
Between one and five years	43,000	23,000
Between five and ten years	11,599	13,628
	87,446	54,043

23 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash flow from operating activities:

	2000 £	1999 £
Operating profit	1,995,168	1,805,123
Depreciation and amortisation	625,907	457,228
(Profit)/loss on sale of fixed assets	(19,727)	(21,401)
(Increase)/decrease in stocks	(470,379)	(101,229)
(Increase)/decrease in debtors	(498,808)	658,467
Increase/(decrease) in creditors	331,782	(669,078)
Increase/(decrease) in provisions for liabilities and charges	(18,000)	(217,000)
(Profit)/loss on exchange	36,481	47,826
Net cash inflow from operating activities	1,982,424	1,959,936

Reconciliation of net cash flows to movement in net funds:

	2000 £	1999 £
Increase/(decrease) in cash in year	757,739	(493,005)
Increase/(decrease) in short-term deposits in year	(752,400)	752,400
(Increase)/decrease in debt and lease financing	(865,307)	-
Change in net funds resulting from cash flows	(859,968)	259,395
Loans and finance leases acquired with subsidiaries	(151,457)	-
Exchange differences	71,602	2,099
	(939,823)	261,494
Net funds at 4 October 1999	1,725,230	1,463,736
Net funds at 30 September 2000	785,407	1,725,230

Analysis of net funds:

	At 4 October 1999 £	Cash flows £	Acquisitions (excluding cash and overdrafts) £	Exchange movements £	At 30 September 2000 £
Cash at bank and in hand	949,637	757,739	-	-	1,707,376
Liquid resources	775,593	(752,400)	-	3,308	26,501
Cash and liquid resources	1,725,230	5,339	-	3,308	1,733,877
Loans	-	(906,791)	-	68,294	(838,497)
Finance leases	-	41,484	(151,457)	-	(109,973)
Financing (excluding share capital)	-	(865,307)	(151,457)	68,294	(948,470)
Net funds	1,725,230	(859,968)	(151,457)	71,602	785,407

NOTES TO THE ACCOUNTS

CONTINUED

NOTE 24 ACQUISITIONS

Acquisition of subsidiary undertakings

On 8 February 2000, Dewhurst plc acquired Australian Lift Components Pty Ltd for a total consideration of AUS\$4,204,707 (£1,664,321) paid by cash of which AUS\$2,532,500 (£1,000,000) was financed by a bank loan.

Details of the transaction:

	Book value £	Fair value £
Fixed assets	226,631	226,631
Current assets:		
Stocks	188,219	188,219
Debtors	235,006	235,006
Creditors	(513,887)	(513,887)
Net assets acquired	135,969	135,969
Consideration	1,664,321	1,664,321
Goodwill	1,528,352	1,528,352

The results of Australian Lift Components Pty Ltd prior to acquisition were as follows:

Profit and loss account

	1 July 1999 to 7 February 2000 £	Year ended 30 June 1999 £
Turnover	1,078,723	1,781,279
Operating costs	893,019	1,591,818
Operating profit	185,704	189,461
Net interest	2,029	2,234
Profit on ordinary activities before taxation	187,733	191,695
Taxation for the period	125,835	61,229
Profit for the period	61,898	130,466

There are no recognised gains and losses other than the results for the periods.

Cash flows

The net outflow of cash arising from acquisitions was as follows:

Cash consideration, as above	1,664,321
Net outflow of cash in respect of Australian Lift Components Pty Ltd	1,664,321

NOTE 25 CASH FLOWS RELATING TO ACQUISITIONS

Operating cash flows	38,484
Return on investments	(815)
Taxation	(59,004)
Capital expenditure and financial investment	(34,440)
Financing	98,024
Net cash inflow	42,249

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OTHER OVERSEAS REPRESENTATION

The group maintains overseas
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