Dewhurst plc

Company Number: 160314

Annual Report and Accounts 2005

Chairman's statement

We have further strengthened our balance sheet this year, which allows us to take advantage of acquisition opportunities as they arise.

Results

I am delighted to report another record set of results for the group. Sales were up 2.5% at £30.0 million and profits were up 4.6% to £3.5 million.

The improved figures were primarily achieved through the effect of the acquisition of Lift Material in Australia together with increased interest earned on our higher cash balances. The strong cash flow has been one of the encouraging aspects of the year's performance. It has been accomplished, in part, by improving the reliability of our deliveries and working with suppliers to enable us to reduce our stock levels.

The results are a credit to the determination and resourcefulness of our employees and I thank all members of staff for the part they have played in the year's achievements.

Operations and products

As outlined at the Half Year, we reduced staffing at the main Hounslow factory by around 10% in March. We have simplified our administrative processes and, as a result, have removed some management functions. These actions are all part of our strategy of making the company 'leaner'. We started 'lean' initiatives in Canada during the year and the programme is currently being extended to other companies in the group. Our focus is on simplification and reducing lead times.

Our new pushbutton range was launched at the major European and North American lift industry exhibitions recently and was well received. It has already been specified for a major refurbishment project in Chicago. The new keypad products are generating considerable interest for a range of different applications, including cash dispensers, petrol pumps and ticket machines.

Lift Material

We completed the acquisition of Lift Material at the end of June. We welcome Tony Pegg, the General Manager, and his team to the group. Lift Material distributes pushbuttons, displays, safety edges, cable and a wide range of other products to the lift industry in Australia. The company has a well-respected product range and there are further opportunities to expand and enhance that range.

Management

After 16 years as managing director and more than nine as a non-executive, Colin Johnson is retiring from the Board on 31 December 2005. He joined us at a difficult time for the company and made a major contribution to the resurgence since that time. He has provided calm and wise counsel to me over many years and this and his breadth of experience will be greatly missed. We wish Colin a full and happy retirement.

AIM

It is now our intention to recommend to shareholders a move to AIM. The proposal will be outlined in a separate circular.

Outlook

Spurred by falling prices we have achieved significant efficiency improvements in recent years and have established cheaper sources of component supplies. We continue to look for further gains in these areas, but are reaching the point where the savings are harder to find and less valuable. At the same time, costs are rising in a number of areas, particularly those related to oil such as energy and plastics.

To maintain our position in existing markets we have to work hard to improve value for the customer. This means better products, higher service levels and shorter lead times, not just lower prices. We have invested heavily in all these areas during the year. The above factors lead me to believe that in the current environment our most significant prospect for growth is with acquisitions. We continue our active programme of searching for such investment opportunities.

Richard Dewhurst
Chairman

Review of operations

We have made significant progress in improving service levels at all companies this year.

Operating highlights

In the current business environment, the critical driver, other than cost is service. Across all companies the key objective is to seek continual improvement in service levels. This is being achieved in a number of areas. We are putting more focus on our website, to ensure customers have easy access to product information. We are ensuring close contact between customers and our in-house sales administration teams. Leadtimes are being driven down and we constantly strive for 100% on time delivery. At the end of the day service needs to be our differentiator. We have made significant progress at all companies in this area and this has been the key factor in delivering this year's figures.

United Kingdom

At the start of the year price erosion was significantly out stripping cost erosion and we spent the first half of the year addressing this situation. This led to a further reduction in headcount at our Hounslow factory and an on-going movement of sourced items from UK suppliers to suppliers in low cost regions. The size of the team at Hounslow is now in line with current requirements. We need to be able to cope with both peaks and troughs in demand and with the further cross training that has been carried out in the last twenty-four months, we are well set up for the shifts in demand.

Our Lean Manufacturing programme continues in most areas and continuous improvement through Lean Manufacturing is critical to our business. Stock and work in progress have both reduced sharply and we expect further improvement over the next twelve months. Despite this our on time delivery in all three areas of the business has remained at over 90%. Alan Orr and his Operations Team have transformed these figures over the last two years. A great achievement and one they are keen to continue to build on.

Activity in new product design has continued through the year at a high level, with a large number of new products coming to market in both the keypad and lift businesses. It is very rewarding and great fun to see so many new products take the step from a picture on a screen into something you can hold in your hand. The pipeline of new ideas is still very full and will keep our team of designers busy throughout the coming year. Although we have reduced our time to market for new products, there are still opportunities to reduce this lead-time further and we will continue to work on this in the future.

Keypad Division

It has been an interesting year for the Keypad Division and one full of challenges. Sales of encrypting pinpads (EPP) have declined, as expected following the completion of a large retrofit programme by one of our customers. However, new sales into non-banking applications, particularly petrol pumps, helped to minimise this effect.

The launch of our new generation of Unipad encrypting pinpads was met with a great deal of interest and several customers are building Unipad into their new product designs. The product has been launched in three variants, the standard stainless steel product, a plastic version and also an eye-catching illuminating version.

Rail Division

We have had a similar year in the Rail Division to last year, with no significant projects and the focus has been on smaller repair and modernisation orders. We still feel there are opportunities in the industry and we are looking at a number of options to raise our profile.

We have a programme of continuing development for the new Ethos controller, broadening the range of applications in which it can be used.

Lift Division

As with the Keypad Division, the Lift Division has had an interesting and challenging year. All our subsidiary companies have worked hard to reduce their stock levels and this has had an impact on our business at Hounslow in terms of reduced demand. This factor coupled with weak demand from the Far East markets has made the business more difficult and has led to flat sales within the Lift Division. Neither of these issues though is long term, so we would expect to see a strengthening of sales over the coming year.

The new products that were launched last year have performed well, with our Jumbo pushbutton achieving annual sales in its first full year significantly higher than those we achieved with its predecessor.

The design team have been busy on new products for the Lift Division and through the course of the year we have introduced three major new products to the market and a host of additions to our various ranges.

The most important launch was our new M-20 entry-level button, which will allow us to compete with products from the Far East and Southern Europe. Initial response to this product has been exciting and it will become an important part of our product range.

A new dot matrix vandal resistant display has also been launched and has achieved a high level of early sales in local authority housing upgrades.

LiftStore

Ethos, our new generation lift controller, has been well received since launch and sales of the product are growing each month. We have seen a significant reduction in the number of installation related site call outs, proving that Ethos is considerably easier to install than our traditional controllers. As we aim to improve service levels, ease of installation of our products is a key driver and our customers require fit and forget products.

It has been a busy year for the Monitoring Division and once again they have won contracts to install monitoring systems into a wide range of facilities. This year, for the first time we are providing systems for retail applications, where it is not only lifts that are being monitored, but also plant and machinery.

In the Fixture Division, demand for pushbuttons and complete lift fixtures has increased and we are continuing to put resource into ensuring that our fixtures meet the changing requirements of our customers. It is important that we continue to add value through the supply of complete fixtures with displays, autodiallers and other ancillary items. Achieving the value added sales will be key to ensuring that the business grows, following the expected reduction in Disability Discrimination Act work.

North America

Dupar Controls

Sales at Dupar rose once again, with a strong increase in lift sales more than offsetting a reduction in keypad sales. Profits were slightly down on the previous year as a result of a currency write down on the intercompany loan between Dupar and The Fixture Company. This is the most tangible effect of the sharp change in value between the Canadian and US Dollars, but it has also had an impact on Dupar's margins on sales to US customers.

In 2004 we invested heavily in plant and machinery at Dupar. This year the focus has very much been on lean manufacturing and improving the flow of work through the factory. We have recruited a new operations manager who has been working with our UK based lean manufacturing team and

We were delighted to add Lift Material in Australia to the group this year and see good opportunities from their broad product range.

together they have revised the layout of the shop floor to create a smoother flow of work around the factory.

The new layout has worked well, giving the team at Dupar greater visibility of work around them. It has helped to improve on-time deliveries, but there is still work to be done on further improvement.

In June, Dupar moved on to the same computer system that is in use here at Hounslow. The changeover was completed without any major disruption, which is a tribute to the team involved. We now have the four largest companies in the group on the same system and this is bringing benefits to all in numerous areas.

Keypad sales fell back with the expected reduction in EPP keypads but remain an important part of the business.

The Fixture Company

The Fixture Company (TFC) had relatively solid growth once again this year and the sales team continue to work hard to increase their market share. TFC have been successful in winning new contracts for fixtures to go into Home Lifts, which is a fast growing sector of the US elevator industry.

Australasia

Australian Lift Components

As had been anticipated the Australian market has flattened off over the last twelve months and ALC saw a slight reduction in sales. However like Hounslow, ALC have done a great deal of work in improving processes and ensuring that they drive hard on efficiencies. They were therefore able to show an improvement once again in profits.

ALC continue to win many projects to install their fixtures in prestigious buildings throughout Australia. The demands of customers and the product we offer in markets like Australia can be more sophisticated than in other areas. Rolling some of these ideas out across other markets will help to boost revenues across all companies.

Lift Material

We were very pleased in July to announce the acquisition of Lift Material. The company has been our distributor in Australia for approximately eighteen years. They began by solely distributing our products but have added world class lift component brands to their portfolio over the years. They now have an excellent range of products that they sell widely throughout the Australasian market. We believe that there are good opportunities to add to this range and to take the business forward.

The team at Lift Material have built a good reputation for customer service, which is critical in the distribution business, and we are certain that we can transfer some of their ideas to other more manufacturing based companies within the group.

David Dewhurst
Group Managing Director

Financial review

Strong positive cash flow was still achieved despite the spending on the acquisition of Lift Material.

Results

Turnover increased by 2.5% from £29.3 million to £30.0 million. Operating profits before amortisation of goodwill rose by £72,000, from £3,383,000 to £3,455,000. Goodwill amortisation was £160,000, up from £157,000. Net interest earned rose £83,000 from £107,000 to £190,000. Profit before tax rose from £3,333,000 to £3,485,000.

Capital investments

Additions to fixed assets were £166,000 for the year. The major additions for the group were the implementation of the new group computer system at Dupar, an engraving machine and a new linishing machine. This lower level of capital investment is a direct result of the lean focus on improving through people, processes and manufacturing practices. Capital commitments at the year end include a new bending machine and improved networking hardware and software.

Cash flow

The group ended the year with cash and short-term deposits, up £1.0 million to £6.4 million. This position was achieved after acquiring the business and assets of the partnership trading as Lift Material in Australia for a total consideration of £871,000. The cash generated is a direct result of improved performance, reduced capital expenditure and continuing tight stock controls as instigated in 2003. Operating cash flow for the year was £3.6 million, down from £3.9 million due to adverse movements to trade debtors and creditors. Dividends paid increased from £440,000 to £466,000.

Treasury policy

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. There is no formal policy for matching foreign currency cash flows or matching exposure to foreign currency net assets. However these issues are regularly monitored. As shown in note 24, there is no material currency exposure to the group at the year end. The group's reported trading profit was not significantly affected by currency movement with approximately 36% being earned in foreign currencies during the year ended 30 September 2005.

Tax and dividends

The current tax charge for the year rose to £1,193,000 (34.2%) from £1,141,000 (34.2%) an increase of £52,000. Although there is no movement in the effective tax rate, £29,000 of the increase in tax charge relates to a prior years adjustment as shown in note 6. The proposed total dividend of 4.89p per share, up 5.2% against last year's 4.65p, is covered 4.6 times by earnings. Shareholders' funds improved from £13.2 million to £15.7 million. There was no reduction of shares during the year.

International Financial Reporting Standards (IFRS)

From 1 October 2005 onwards, the group will prepare its consolidated financial statements in accordance with IFRS. The interim and annual report and accounts for 2005/6 will therefore contain restated comparatives for 2004/5 prepared under IFRS. There will be some presentational differences, but in summary the impact on trading results is not expected to be material. Despite the inclusion in the Balance Sheet of a pension deficit and the change from goodwill amortisation to impairment, the move to IFRS will not change how the group is managed and will have no impact on cash flow.

Jared Sinclair
Finance Director

group five-year review

	2001 £000	2002 £000	2003 £000	2004 £000	**2005** **£000**
Turnover	22,903	24,184	27,206	29,265	**29,994**
Profit before tax and exceptional items	1,819	1,837	2,465	3,333	**3,485**
Profit before taxation	1,359	1,837	2,465	3,333	**3,485**
As a percentage of shareholders' funds	14.1%	18.3%	21.0%	25.2%	**22.3%**
Taxation	505	660	814	1,142	**1,250**
Profit after taxation	854	1,177	1,651	2,191	**2,235**
Shareholders' funds	9,593	10,063	11,714	13,246	**15,651**
Earnings per share, basic	8.41p	11.82p	16.76p	22.24p	**22.68p**
Earnings per share, diluted	8.36p	11.82p	16.76p	22.24p	**22.68p**
Dividends per share	3.96p	4.17p	4.38p	4.65p	**4.89p**

Directors

RICHARD DEWHURST
BA (ENG SC), ACMA
Chairman, 49, joined in 1985.
Previously with Ford Motor Co, Ernst & Whinney Senior Management Consultant.

DAVID DEWHURST
BSc (Elec Eng)
Group Managing Director, 44, joined in 1987. Previously with Holmes & Marchant plc.

MEL WHITE
BSc, PHD
Engineering Director, 55, joined in 1995. Previously with ITT Cannon, Director of Research Development and Engineering.

RICHARD YOUNG
BSc, CEng, MIEE
Managing Director – UK Lift Division, 49, joined in 1996. Previously with MBM Technology Ltd, Director and General Manager.

JARED SINCLAIR
BSc, ACA
Financial Director, 35, joined in 1997.
Previously with Moores Rowland, Chartered Accountants, Audit Senior.

COLIN JOHNSON
MA, CEng, MIEE
Non-executive Director, 70, joined in 1980. Previously with RCA European General Manager and Development Capital Ltd Director, Group Managing Director, Dewhurst plc 1980-1996.

PETER TETT
MA, MSc
Non-executive Director, 66, joined in 2000. Previously with Halma plc, Director.

Report of the directors

The directors present their annual report and the audited accounts of the group for the year ended 30 September 2005.

Results and dividends

The trading profit for the year, after taxation, amounted to £2,234,604 (2004: £2,190,688).

A final dividend on the Ordinary and 'A' ordinary shares of 3.26p per 10p share (2004: 3.10p) will be proposed at the Annual General Meeting to be held on 2 February 2006. If approved, this dividend will be paid on 6 March 2006 to members on the register at 13 January 2006.

An interim dividend of 1.63p per share (2004: 1.55p) was paid on 30 August 2005.

These dividends absorb £481,758 (2004: £458,112) of the profit for the year leaving a balance retained of £1,752,846 (2004: £1,732,576) which has been transferred to group reserves.

Activities and review of the business

The group manufactured, throughout the year, 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.

Acquisitions

On 1 July 2005 Lift Materials Australia Pty Limited, a newly formed group company, acquired the business and assets of the partnership trading as Lift Material in Australia for a total consideration of AUS$2,100,000 (£871,369).

Fixed assets

The last major valuation of the parent company's land and buildings 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 year are set out in the notes to the accounts.

Directors

The members of the board during the year were:

Mr R M Dewhurst *chairman*
Mr D Dewhurst *group managing director*
Dr M D White
Mr R Young
Mr J C Sinclair
Mr C Johnson *non-executive*
Mr P Tett *non-executive*

The directors retiring by rotation at this year's Annual General Meeting are Mr R Young and Dr M D White who, being eligible, offer themselves for re-election. The unexpired period of Mr R Young's and Dr M D White's service agreement is less than one year.

Details of directors' interests are stated in the Remuneration Report on page 18.

During the year the company maintained liability insurance for all directors.

Authority to purchase shares

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 357,070 Ordinary shares and 628,120 'A' non-voting ordinary shares, representing 10% 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 2007 Annual General Meeting. It 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 5 December 2005 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	370,000
Mrs V E Dewhurst	285,000
R C Greig Nominees Ltd	213,000
Mrs M Meredith	190,208
Mrs E Dewhurst	175,333
Mrs R McAlister	158,779
Mr J H Ridley	126,000
Discretionary Unit Fund	110,000

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	1,501,200
Discretionary Unit Fund	410,000
Mrs V E Dewhurst	344,750
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 all reasonable precautions taken to provide and maintain safe working conditions for both employees and visitors alike, which comply with statutory requirements and appropriate codes of practice. In order to minimise the instances of occupational accidents and illnesses detailed policies and risk improvement programmes are constantly updated.

Employment policies

The group is committed to ensuring that:

- All employees are treated fairly and equally irrespective of gender, ethnic origin, religion, nationality, marital status, sexuality or disability.
- The working environment is conducive to achievement and free from sexual harassment and intimidation.
- 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.
- The group has a development policy committing it to the training and continuous development of its employees to develop their full potential and to achieve a more flexible and skilled workforce. Dewhurst plc, the company, achieved IiP (Investors in People) status which was awarded in January 2002 and has since been successfully reappraised.

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.

Payment procedures are reviewed as required to maintain a good working relationship, with the supplier.

As at the financial year-end the number of days purchases outstanding was thirty-four.

Research and development

The group continues to invest in research and development programmes for new products as well as new processes and technologies to improve overall operational effectiveness.

Political and charitable contributions

The group has made no political contributions this year (2004: £Nil).

Charitable donations made by the group to local schools, community projects and worthy causes amounted to £2,914 (2004: £1,019).

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint BDO Stoy Hayward LLP as auditors and to authorise the directors to determine their remuneration.

International Financial Reporting Standards (IFRS)

More information about the group's adoption of IFRS is set out in the financial review on page 11.

Corporate governance

Whilst in general we support the objectives of the combined 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 group with a small board. The board confirms that the group has complied with the main and supporting principles set out in Section 1 of the revised Combined Code issued by the Financial Reporting Council in July 2003, except that 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. In addition, the two non-executive directors do not comprise one third of the board. However the new Combined Code, only requires smaller companies, such as Dewhurst plc, to have at least two independent non-executive directors. The executive directors' performance is evaluated as part of the personal development review process undertaken by the group on an annual basis. The board describes below how the principles identified in the Combined Code already referred to above are applied by the group.

Board of directors

The board consists of seven directors with a chairman and a group managing director. Of the two non-executive directors, Mr P Tett is deemed independent and whilst Mr C Johnson is not independent according to the terms of the code, he has a wealth of experience and understanding which has proved invaluable to the company. On the 14 November 2005 Mr C Johnson announced his intention to retire as a non-executive director of the company with effect from 31 December 2005. It would be the boards intention to appoint a further non-executive director when a suitably qualified applicant has been identified.

During the year all the requisite directors attended all board, audit and remuneration committee meetings except for Mr D Dewhurst who missed one board meeting whilst abroad on company business, and Mr P Tett who missed one board meeting due to disruption to the transport system following the July 7th bombings in London.

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 that 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 control and risk management

The directors are responsible for the group's system of internal control to safeguard shareholders' investment and the group's assets. The board of directors has overall responsibility for the group's system of internal control. The board meets at least 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 group 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. The board acknowledges its responsibility for the group's system of internal control and for monitoring its effectiveness. These systems are designed to manage rather than eliminate the risk of failure, the aim being to achieve business objectives and to provide reasonable, but not absolute, assurance against material mis-statement or loss. The board regularly review the effectiveness of these procedures which have been established to provide internal control.

Following publication of Guidance for Directors on Internal Control (the Turnbull Guidance) the board confirms that formal risk management procedures have been implemented and are regularly reviewed by a member of the Audit Committee. All directors are involved in the continuous process for identifying, evaluating and managing the significant risks faced by the group, including operational and compliance risks. Effective controls, policies and procedures have been in place throughout the year under review and they will be continually monitored.

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, both executive and non-executive, 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 group complies with the provisions regarding executive directors, except that directors' remuneration is determined by a committee chaired by Mr P Tett a non-executive director, and further comprises Mr C Johnson a non-executive director, and Mr R M Dewhurst an executive director, who meet officially once a year and informally at other times as and when required.

The role of the Remuneration Committee is set out in full in the Remuneration Report.

Audit Committee

The Audit Committee has responsibility for reviewing the internal audit function, auditor independence and objectivity annually and will only use the appointed external auditor for non-audit services in cases where these services do not conflict with the auditor's independence.
The Audit Committee is comprised of two non-executive directors being Mr C Johnson (audit committee chairman) and Mr P Tett who meet twice a year and communicate with the auditors at other times as and when required. The Audit Committee in conjunction with the board review the interim and annual financial statements together with the reports produced by the auditors.

The company's auditors have direct access to the Audit Committee and meet regularly to discuss and agree on policies and procedures.

It receives and reviews a schedule detailing the group risks and how these risks are being managed. Each director takes responsibility for dealing with risks relating to their specific areas and to filtering information back to the Audit Committee. The Audit Committee considers that the group does not require an internal audit function as the internal controls and risk management programme operated within the group is deemed to be appropriate.

The Audit Committee reports to the board relevant matters resulting from its meetings.

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

Jared Sinclair
Secretary

5 December 2005

Report on directors remuneration and related matters

This report has been prepared in accordance with the Directors Remuneration Report Regulations 2002, the Combined Code and the Companies Act 1985. This report has been approved by both the Remuneration Committee and the Board of Directors. Shareholders will be invited to approve the report at the company's Annual General Meeting.

Remuneration Committee

The board has delegated to the Remuneration Committee, under agreed terms of reference, responsibility for the remuneration policy for individual executive directors.

The Remuneration Committee is chaired by Mr P Tett, a non-executive director, and the other members are Mr C Johnson also a non-executive director, and Mr R M Dewhurst.

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 committee seeks to ensure that directors are fairly and responsibly rewarded for their individual contributions.

Remuneration policy for executive directors

The committee determines policy for both current and future years which it reviews on an annual basis. The policy is designed to attract, motivate, develop and retain the senior executives within the company. A percentage of executive directors remuneration is derived from the performance of the group as a whole.

The pay elements are further explained below:

Base salary

The Remuneration Committee review base salaries of executive directors annually, taking into account the performance of the individual director, any changes in their responsibilities and the group's performance against financial objectives. Information regarding levels of pay in similar jobs would be obtained whenever relevant.

Annual bonus

Annual bonus arrangements have been put in place for each executive director based on group profit, before tax, for the financial year. The percentage of salary paid as a profit related bonus varies and this year is in the range of 27% to 61% of base salary. (2004: 27% to 62%).

The Chairman, Mr R M Dewhurst, and the Group Managing Director, Mr D Dewhurst, also receive a profit growth bonus, which is only payable when profits exceed the highest profit of the last three years. Mr R Young also receives a LiftStore profit growth bonus but only when the current year's profit exceeds the previous highest year.
For this year the percentage of earnings paid as growth related bonus will be in the range of 0% to 4% of their base salary. (2004: 28% to 40%).

Other benefits

Other benefits for directors are car benefits and medical health insurance, provided on a basis that is consistent with competitive practice.

Share option schemes

The company does not operate any share option or share incentive schemes.

Pension and life assurance

The executive directors participate in a Defined Benefit Pension Scheme funded partly by contributions from the company and by directors own contributions currently 6½% of their basic salary, directors' fees and bonus schemes. 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 bonus schemes.

A spouse's pension of 50% is payable in the event of a director's death. An increase in pension of up to 5% or inflation, whichever is the lower, will be made to pensions after retirement for that service between 6 April 1997 and 5 April 2005 only. For service after 5 April 2005 the increase is reduced to 2½% or inflation, whichever is the lower. Early retirement and options are as laid down in the rules of the scheme and apply to all scheme members.

Further disclosures of the arrangements for each director are as follows:

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 the accrued pension during the year excludes any increase for inflation. Members of the scheme have the option to pay additional voluntary contributions although none of the directors have currently taken up this option.

Life assurance of three times basic salary, directors' fees and annual bonus is arranged and paid for by the company on behalf of executive directors.

Service contracts

Executive directors

It is the policy of the company to appoint executive directors subject to a service agreement requiring not more than 12 months notice, to be given by either party, in the first instance and then reducing to a six months rolling contract.

These appointments are subject to election and re-election at the relevant Annual General Meeting according to the Memorandum and Articles of Association.

Executive directors service contracts	Date of contract	Notice period	Provision for compensation
Mr R M Dewhurst	09.02.1994	6 months	Basic salary × notice period
Mr D Dewhurst	09.02.1994	6 months	Basic salary × notice period
Mr J C Sinclair	07.08.2002	6 months	Basic salary × notice period
Dr M D White	07.12.1995	6 months	Basic salary × notice period
Mr R Young	01.10.1996	6 months	Basic salary × notice period

Non-executive directors

Non-executive directors do not have service contracts with the company, but have letters of appointment, which appoint them to the board for an initial three-year period. They are subject to retirement and re-appointment by shareholders after that initial period with a minimal notice of termination applying.

The payment policy for non-executive directors is to pay the market rate to persons of a suitable calibre. The remuneration is fixed by the board and is non pensionable. Non-executive directors do not participate in any incentive scheme.

Directors' share interests

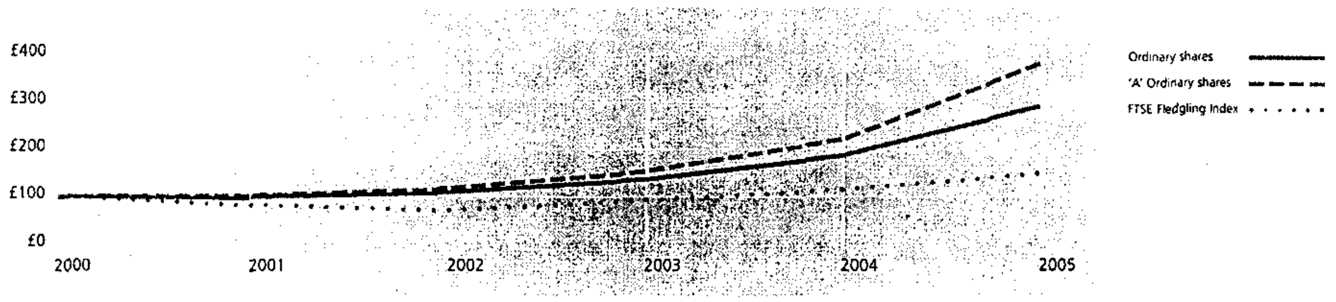
The table below sets out the names of the persons who were directors of the company during the financial year ended 30 September 2005 together with details of their own and their families' beneficial interests in the shares of the company at that date and corresponding details at 30 September 2004.

Directors' share interests	30 September 2005 Ordinary shares	30 September 2005 'A' ordinary shares	30 September 2004 Ordinary shares	30 September 2004 'A' ordinary shares
Mr R M Dewhurst	**494,333**	**123,666**	494,333	133,666
Mr D Dewhurst	**419,595**	**76,836**	419,595	76,836
Mr J C Sinclair	**1,000**	**–**	1,000	–
Dr M D White	**1,000**	**–**	1,000	–
Mr R Young	**1,000**	**–**	1,000	–
Mr C Johnson	**20,000**	**25,000**	20,000	25,000
Mr P Tett	**1,000**	**–**	1,000	–

No transactions have taken place between the end of the financial year and 5 December 2005.
At 30 September 2005 and 30 September 2004 there were no share options allocated to the directors.
During the financial year no director was materially interested in any contract which was significant to the group's business.

Performance graph

The graph below shows the value of £100 invested in the company's shares compared to the FTSE Fledgling Index for each of the last five years. The graph shows the total shareholder return generated by both the movement in share value and the reinvestment over the same period of any dividend income. The Remuneration Committee believes that the FTSE Fledgling Index is the most appropriate comparator for a company of this size. The company has been a constituent of this index throughout the period.



Directors' remuneration

The following disclosures (up to and including page 20) on directors' remuneration have been audited, as required by Part 3 of Schedule 7a of the Companies Act 1985.

Directors' emoluments

The remuneration of the directors (excluding pension costs) are shown below:

	2005 £	2004 £
Salaries and benefits	**568,706**	615,367
Payments made to non-executive directors	**32,293**	31,470
	600,999	646,837

	Basic salary and fees £	Benefits in kind £	Profit/growth related bonus £	2005 Total £	2004 Total £
Executive directors:					
Mr R M Dewhurst	100,860	992	64,678	**166,530**	189,615
Mr D Dewhurst	85,174	992	54,760	**140,926**	162,978
Mr J C Sinclair	58,628	6,665	15,871	**81,164**	71,697
Dr M D White	58,882	10,756	15,871	**85,509**	81,500
Mr R Young	63,014	6,982	24,581	**94,577**	109,577
Non-executive directors:					
Mr C Johnson	15,500	793	–	**16,293**	16,220
Mr P Tett	16,000	–	–	**16,000**	15,250

Mr R M Dewhurst was the highest paid director with remuneration of £166,530 (2004: £189,615). The non-cash elements of the remuneration were the benefits in kind which comprise car benefits and medical health insurance.

Directors' pension entitlement

The following figures have been calculated in accordance with the revised rules set out in statutory instrument SI2002/1986 for the directors who were members of a Defined Benefit Scheme, provided by the company, during the year.

	Change in accrued benefits during financial year £	Change in accrued benefits during financial year (excluding inflation) £	Accrued pension at 30 September 2005 £	Transfer value of increase £	Transfer value of accrued rights at 30 September 2005 £	Increase in transfer value during financial year less directors' contributions £	Transfer value of accrued rights at 30 September 2004 £
Mr R M Dewhurst	25,217	23,108	93,228	315,328	931,867	335,327	587,770
Mr D Dewhurst	18,473	16,923	68,475	210,911	607,099	222,925	376,869
Mr J C Sinclair	2,917	2,706	9,741	25,114	64,084	23,138	37,007
Dr M D White	2,127	1,835	11,536	34,794	141,946	35,868	101,621
Mr R Young	7,667	7,097	26,074	93,499	258,627	95,076	157,610

Notes

- Pension accruals shown are the amounts which would be paid annually on retirement based on service to the end of the year.
- The value of net increase represents the incremental value to the director of his service during the year, assuming that service terminated at the year-end. It is based on the accrued pension increase after deducting any contribution made by the director.
- The change in the transfer value includes the effect of fluctuations in the transfer value due to factors beyond the control of the company and directors, such as movements in the stock market. It is calculated after deducting directors' contributions of £31,524 (2004: £33,677).
- Transfer values have been calculated in accordance with Actuarial Guidance Note GN11 issued by the actuarial profession.
- The transfer values disclosed above do not represent any sums paid or payable to the directors. They represent a potential liability to the pension scheme on a given date.

On behalf of the board

Peter Tett
Chairman, Remuneration Committee

Report of the independent auditors

To the shareholders of Dewhurst plc
We have audited the financial statements of Dewhurst plc for the year ended 30 September 2005 on pages 22 to 39. These financial statements have been prepared under the accounting policies set out on page 26. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standard and Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group 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 and other members of the group is not disclosed.

We review whether the Corporate Governance Statement reflects the group's compliance with the nine provisions of the 2003 FRC Code specified for our review by the Listing Rules of the Financial Service Authority, and we report if it does not. We are not required to consider whether the Boards' statement on internal control cover all risk and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Review of Operations and the Financial Review, the Directors' Report, the Corporate Governance Statement and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 and the part of the Directors' Remuneration Report to be audited. 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 and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion the financial statements give a true and fair view of the state of the group's and the company's affairs as at 30 September 2005 and of the group's profit for the year then ended and the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985

BDO Stoy Hayward LLP
Chartered Accountants and
Registered Auditors
Epsom, Surrey

5 December 2005

Consolidated profit and loss account

For the year ended 30 September 2005	Notes	£	2005 £	£	2004 £
Turnover					
Continuing operations		**29,648,927**		29,265,462	
Acquisitions		**345,517**		–	
	2		**29,994,444**		29,265,462
Operating costs					(26,039,522)
Continuing operations		**(26,456,165)**		(26,039,522)	
Acquisitions		**(243,263)**		–	
	3		**(26,699,428)**		(26,039,522)
Operating profit before amortisation of goodwill			**3,455,368**		3,383,033
Amortisation of goodwill	3		**(160,352)**		(157,093)
Operating profit					
Continuing operations		**3,192,762**		3,225,940	
Acquisitions		**102,254**		–	
			3,295,016		3,225,940
Net interest	5		**190,200**		107,093
Profit on ordinary activities before taxation			**3,485,216**		3,333,033
Tax on profit on ordinary activities	6		**(1,250,612)**		(1,142,345)
[illegible]	7		**2,234,604**		[illegible]
Dividends per 10p ordinary share	8				
Interim paid of 1.63p (2004: 1.55p)		**(160,586)**		(152,704)	
Proposed final of 3.26p (2004: 3.10p)		**(321,172)**		(305,408)	
			(481,758)		(458,112)
Retained profit for the financial year	19		**1,752,846**		1,732,576
Basic and diluted earnings per share	8		**22.68p**		22.24p

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

Consolidated statement of total recognised gains and losses

	2005 £	2004 £
Profit for the financial year attributable to shareholders	**2,234,604**	2,190,688
Currency translation differences on foreign currency net investments	**651,617**	(200,551)
[illegible]ins and losses for the financial year (see note 20)	**2,886,221**	[illegible]

The notes on pages 26 to 39 form part of these financial statements

Consolidated balance sheet

At 30 September 2005	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Intangible	9		**1,371,134**		811,964
Tangible					
– Land and buildings	10	**1,569,367**		1,534,814	
– Plant and machinery	10	**1,341,306**		1,509,245	
			2,910,673		3,044,059
			4,281,807		3,856,023
Current assets					
Stocks	12	**3,777,966**		4,152,556	
Debtors	13	**5,726,107**		5,067,207	
Short-term deposits	14	**3,034,362**		2,982,472	
Cash at bank and in hand		**3,403,649**		2,465,272	
		15,942,084		14,667,507	
Creditors:					
amounts falling due within one year	15	**4,372,981**		5,066,109	
Net current assets			**11,569,103**		9,601,398
Total assets less current liabilities			**15,850,910**		13,457,421
Creditors: due after one year	16		–		974
Provisions for liabilities and charges	17		**200,000**		210,000
			15,650,910		[illegible]
Capital and reserves					
Called up share capital	18		**985,190**		985,190
Share premium account	19		**157,083**		157,083
Revaluation reserve	19		**423,001**		423,001
Capital redemption reserve	19		**151,570**		151,570
Profit and loss account	19		**13,934,066**		11,529,603
	20		**15,650,910**		[illegible]

The financial statements were approved by the board of directors on 5 December 2005 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Finance Director

The notes on pages 26 to 39 form part of these financial statements

Company balance sheet

At 30 September 2005	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible					
– Land and buildings	10	**659,579**		665,573	
– Plant and machinery	10	**573,165**		749,872	
			1,232,744		1,415,445
Investments – shares in subsidiary undertakings	11		**2,217,109**		2,132,609
			3,449,853		3,548,054
Current assets					
Stocks	12	**1,212,104**		1,459,504	
Debtors	13	**3,102,726**		2,414,208	
Short-term deposits	14	**3,034,362**		2,982,472	
Cash at bank and in hand		**2,143,004**		1,572,520	
		9,492,196		8,428,704	
Creditors:					
amounts falling due within one year	15	**2,086,661**		2,451,175	
Net current assets			**7,405,535**		5,977,529
Total assets less current liabilities			**10,855,388**		9,525,583
Provisions for liabilities and charges	17		**200,000**		201,038
[illegible]			**10,655,388**		9,324,545
Capital and reserves					
Called up share capital	18		**985,190**		985,190
Share premium account	19		**157,083**		157,083
Revaluation reserve	19		**423,001**		423,001
Capital redemption reserve	19		**151,570**		151,570
Profit and loss account	19		**8,938,544**		7,607,701
[illegible]			**10,655,388**		[illegible]

The financial statements were approved by the board of directors on 5 December 2005 and were signed on its behalf by:

Richard Dewhurst Chairman

Jared Sinclair Finance Director

The notes on pages 26 to 39 form part of these financial statements

Consolidated cash flow statement

For the year ended 30 September 2005	Notes	2005 £	2005 £	2004 £	2004 £
Net cash inflow from operating activities	23		**3,625,514**		3,865,186
Returns on investments and servicing of finance:					
Interest and dividends received		**191,517**		107,761	
Interest paid		**(1,317)**		(107)	
Interest element from finance lease rental payments		**–**		(561)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			**190,200**		107,093
Taxation:					
UK taxation		**(873,550)**		(724,294)	
Overseas taxation		**(424,729)**		(281,368)	
Net cash outflow from taxation			**(1,298,279)**		(1,005,662)
Capital expenditure and financial investment:					
Purchase of tangible fixed assets		**(165,673)**		(768,742)	
Sale of tangible fixed assets		**17,773**		176,303	
Net cash outflow from capital expenditure & financial investment			**(147,900)**		(592,439)
Acquisitions and disposals:					
Purchase of subsidiary undertakings	26	**(913,274)**		–	
Net cash inflow/(outflow) from acquisitions and disposals			**(913,274)**		–
Equity dividends paid			**(465,994)**		(440,379)
Net cash inflow before use of liquid resources and financing			**990,267**		1,933,799
Management of liquid resources:					
Placed on short-term deposit		**(51,890)**		(1,758,327)	
			(51,890)		(1,758,327)
Financing:					
Capital element of finance lease rental payments		**–**		(10,764)	
			–		(10,764)
[illegible]			[illegible]		[illegible]

The notes on pages 26 to 39 form part of these financial statements

Notes to the accounts

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of the company and its 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.

Turnover

Turnover represents the invoiced value of sales less returns and sales taxes. Sales are recognised on delivery to customers.

Land and buildings

The group has taken advantage of the transitional arrangements under FRS 15 which allow the carrying value of those assets acquired prior to 30 September 1999, which had been revalued, to be retained. All additions to fixed assets since this date are stated at cost. When an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss account.

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. These constitute the liquid resources in the cash flow statement.

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 are undertaken if events or changes in circumstances indicate that the carrying value may not be recoverable.

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
7½% to 33⅓% 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 tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and

- the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met. Deferred tax balances are not discounted.

Foreign currencies

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account. The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings and from translating the profit and loss account at an average rate 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.

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.
As required under the Welfare Reform and Pensions Act 1999 and Stakeholder Pension Schemes regulations 2000 the group has offered access to a stakeholder pension scheme to employees in its UK based companies. The group has adopted the transitional disclosure requirements of FRS 17 "Retirement Benefits".

Financial instruments

In relation to the disclosures made in note 24, trade debtors and trade creditors are not treated as financial assets or liabilities except for currency disclosures. The group does not hold or issue derivative financial instruments for trading purposes.

Note 2 Continued

A geographical analysis of turnover by destination is as follows:

		2005 £	2005 %	2004 £	2004 %
United Kingdom		**16,044,279**	**53**	15,781,598	54
Africa and the Middle East		**195,188**	**1**	69,046	–
The Americas	– USA	**1,443,942**	**5**	1,375,722	5
	– Canada	**5,638,070**	**18**	5,445,277	18
	– Brazil	**253,161**	**1**	200,122	1
Europe		**751,668**	**3**	825,411	3
Australia and Asia		**5,668,136**	**19**	5,568,286	19
		29,994,444	**100**	29,265,462	100

In the opinion of the directors, disclosure of turnover by origin and 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.

Note 3 Operating costs

	2005 £	2004 £
Movement in trading stocks and work-in-progress	**374,590**	(45,896)
Raw materials and consumables	**12,353,154**	12,130,537
Other external charges	**373,372**	433,249
Staff costs (see note 4)	**9,733,578**	9,884,280
Depreciation	**440,819**	567,385
Goodwill amortisation	**160,352**	157,093
Other operating charges	**3,263,563**	2,912,874
	[illegible]	[illegible]

Depreciation includes £nil (2004: £nil) charged on assets held under finance leases and hire purchase contracts. Other operating charges include lease rentals on premises £159,889 (2004: £162,822) and lease rentals on motor vehicles £145,323 (2004: £99,856), auditors' remuneration £56,750 (2004: £58,434) of which £38,250 (2004: £39,934) was payable by the holding company, non audit fees paid to the holding company's auditors £14,804 (2004: £33,851) and profit on sale of fixed assets £3,353 (2004: loss of £41,081). Expenditure on research and development was £733,000 (2004: £776,000).

Note 4 Details and information regarding employees

Costs during the year, including directors' emoluments which are disclosed in the remuneration report on page 19, were as follows:

	2005 £	2004 £
Wages and salaries	**8,199,753**	8,387,773
Social security costs	**587,570**	610,464
Pension costs	**946,255**	886,043
	9,733,578	[illegible]

Note 4 Staff costs and information regarding employees CONTINUED

Directors' emoluments:

	2005	2004
	£	£
Executive directors	**568,706**	615,367
Non-executive directors	**32,293**	31,470
	600,999	646,837

There were 5 directors in the company's defined benefit pension scheme (2004: 5).

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

	2005	2004
	No	No
Office and management	**165**	167
Manufacturing	**169**	182
	[illegible]	[illegible]

Note 5 Net interest

	2005	2004
	£	£
Bank deposit interest	**191,517**	107,761
Less:		
Interest payable on bank overdraft and loan	**(1,317)**	(107)
Interest payable on finance leases	**–**	(561)
	190,200	107,093

Note 6 Tax on profit on ordinary activities

	2005	2004
	£	£
Current tax		
UK Corporation tax at 30% (2004: 30%)	**757,599**	779,091
Adjustment on prior years tax	**32,959**	4,012
Overseas taxation	**402,346**	357,906
	1,192,904	1,141,009
Deferred tax		
Movement in deferred taxation provision	**57,708**	1,336
	1,250,612	[illegible]

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	**3,485,216**	3,333,033
Profit on ordinary activities at the standard rate of corporation tax in the UK	**30.0%**	30.0%
Effects of:		
Tax rate difference	**0.7%**	0.9%
Amortisation of goodwill	**1.4%**	1.4%
Other timing differences	**1.2%**	1.8%
Adjustments in respect of previous years	**0.9%**	0.1%
[illegible]	[illegible]	[illegible]

Note 7 Profit for the financial year

This includes £1,812,601 (2004: £1,373,589) of profit after tax and before dividends which has been dealt with in the accounts of the holding company.

Note 8 Earnings per share and dividend per share

Weighted average number of shares

	2005 No	2004 No
[illegible]	9,851,898	[illegible]

The calculation of basic and diluted earnings per share is based on the profit attributable to shareholders and on 9,851,898 Ordinary 10p and 'A' ordinary 10p shares, being the weighted average number of shares in issue throughout the financial year.
The final proposed dividend is based on 3,570,700 Ordinary 10p shares and 6,281,198 'A' ordinary 10p shares, being the number of shares in issue at the balance sheet date.

Note 9 Intangible fixed assets

	Goodwill £	The Group Other £	Total £
Cost or valuation:			
At 1 October 2004	1,521,451	524	1,521,975
Exchange adjustment	168,502	49	168,551
On acquisition	624,519	–	624,519
[illegible]	2,314,472	[illegible]	[illegible]
Amortisation:			
At 1 October 2004	710,011	–	710,011
Exchange adjustment	73,548	–	73,548
Charge for the year	160,352	–	160,352
[illegible]	943,911	[illegible]	[illegible]
Net book value:			
[illegible]	1,370,561	[illegible]	[illegible]
At 30 September 2004	811,440	524	811,964

… fixed assets

	The Group		The Company	
	Freehold land and buildings £	Plant and machinery £	Freehold land and buildings £	Plant and machinery £
Cost or valuation:				
At 1 October 2004	1,890,675	4,957,802	858,811	2,952,103
Exchange adjustment	86,800	189,830	–	–
Additions	517	165,156	–	6,200
On acquisition	–	4,788	–	–
Disposals	–	(191,190)	–	(124,042)
[illegible]	1,977,992	5,126,386	858,811	2,834,261
Depreciation:				
At 1 October 2004	355,861	3,448,557	193,238	2,202,231
Exchange adjustment	18,912	106,326	–	–
Charge for the year	33,852	406,967	5,994	176,346
Disposals	–	(176,770)	–	(117,481)
[illegible]	408,625	3,785,080	199,232	2,261,096
Net book value:				
[illegible]	1,569,367	1,341,306	659,579	573,165
At 30 September 2004	1,534,814	1,509,245	665,573	749,872

The cost or valuation figures for land and buildings comprise:

	The Group		The Company	
	2005 £	2004 £	**2005 £**	2004 £
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	**1,355,992**	1,268,675	**236,811**	236,811
[illegible]	1,977,992	1,890,675	858,811	858,811

The net book value of land and buildings comprises:

	£	£	**£**	£
Freehold land	**402,216**	394,072	**266,000**	266,000
Freehold buildings	**1,167,151**	1,140,742	**393,579**	399,573
[illegible]	1,569,367	1,534,814	659,579	665,573

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

	The Group 2005 £	The Group 2004 £	The Company 2005 £	The Company 2004 £
Cost	**1,555,000**	1,468,000	**436,000**	436,000
Depreciation	**(248,000)**	(235,000)	**(119,000)**	(118,000)
[illegible]	**1,307,000**	1,233,000	**317,000**	[illegible]

The net book value of tangible fixed assets for the group includes an amount of £nil (2004: £nil) in respect of assets held under finance leases and hire purchase contracts.

Capital commitments contracted by the group at 30 September 2005 amounted to £58,500 (2004: £nil) and by the company £8,000 (2004: £nil).

Capital commitments authorised but not contracted by the group at 30 September 2005 amounted to £45,666 (2004: £48,038) and by the company £45,666 (2004: £nil).

[illegible] Fixed asset investments – shares in subsidiary undertakings

Investments in subsidiary undertakings are:

	2005 £	2004 £
Cost:		
Dupar Controls Inc.	**34,770**	34,770
LiftStore Ltd	**300,000**	300,000
The Fixture Company	**31,852**	31,852
Australian Lift Components Pty Ltd	**1,797,839**	1,797,839
Lift Materials Australia Pty Ltd	**84,500**	–
	2,248,961	2,164,461
Provision for diminution in value	**(31,852)**	(31,852)
[illegible]	[illegible]	[illegible]

The company has five wholly-owned subsidiaries, Dupar Controls Inc., registered and principally operating in Canada, LiftStore Ltd, registered in England, The Fixture Company, registered and principally operating in the United States of America, and Australian Lift Components Pty Ltd and Lift Materials Australia Pty Ltd, both registered and principally operating in Australia. All five companies have similar principal activities to Dewhurst plc.

[illegible] Stocks

	The Group 2005 £	The Group 2004 £	The Company 2005 £	The Company 2004 £
Raw materials and consumables	**2,118,454**	2,205,463	**644,242**	602,392
Work-in-progress	**379,755**	651,166	**151,482**	366,527
Finished goods and goods for re-sale	**1,279,757**	1,295,927	**416,380**	490,585
[illegible]	**3,777,966**	4,152,556	[illegible]	[illegible]

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

Debtors

	2005 £	The Group 2004 £	2005 £	The Company 2004 £
Amounts falling due within one year:				
Trade debtors	**5,558,527**	4,795,267	**1,499,125**	1,440,451
Amounts due from subsidiary undertakings	–	–	**1,547,802**	864,858
Other debtors	**194**	2,038	–	1,350
Prepayments and accrued income	**167,386**	212,194	**55,799**	107,549
	5,726,107	5,009,499	**3,102,726**	2,414,208
Amounts falling due after more than one year:				
Deferred taxation (see note 17)	–	57,708	–	–
	5,726,107	5,067,207	**3,102,726**	2,414,208

Current assets – Short-term deposits

	2005 £	The Group 2004 £	2005 £	The Company 2004 £
Short-term deposits	**3,034,362**	2,982,472	**3,034,362**	2,982,472
	3,034,362	2,982,472	**3,034,362**	[illegible]

Creditors – Amounts falling due within one year

	2005 £	The Group 2004 £	2005 £	The Company 2004 £
Trade creditors	**1,816,075**	1,728,173	**929,088**	888,033
Corporation tax and overseas tax	**464,191**	578,078	**207,906**	275,749
Other taxes and social security costs	**305,946**	400,275	**52,985**	139,021
Other creditors	**20,668**	22,041	**16,759**	19,723
Accruals and deferred income	**1,444,929**	2,032,134	**558,751**	823,241
Proposed dividend	**321,172**	305,408	**321,172**	305,408
	4,372,981	5,066,109	**2,086,661**	2,451,175

Creditors – Amounts falling due after more than one year

	2005 £	The Group 2004 £	2005 £	The Company 2004 £
Other loans	–	974	–	–
	–	974	–	–

The other loans are due between two to five years in 2004.

[illegible] Provision for liabilities and charges

	The Group £	The Company £
Deferred taxation:		
At 1 October 2004	(57,708)	1,038
Transfer to/(from) profit and loss account	57,708	(1,038)
[illegible]	[illegible]	[illegible]

Provision for liabilities and charges provided in full is as follows:

		The Group		The Company	
		2005 £	2004 £	**2005** £	2004 £
Deferred taxation	– accelerated capital allowances	**–**	1,839	**–**	1,907
	– other timing differences	**–**	(59,547)	**–**	(869)
Deferred tax (asset)/liability		**–**	(57,708)	**–**	1,038
Transferred to debtors (see note 13)		**–**	57,708	**–**	–
Warranty provision		**200,000**	210,000	**200,000**	200,000
[illegible]		**200,000**	210,000	**200,000**	[illegible]

Warranties are provided in the normal course of business based on current issues and are costed on an assessment of future claims with reference to past claims. The provision is in relation to replacement and change-out costs and although it is not possible to estimate the timing of crystallisation of the potential liability it is expected that it will be utilised during the coming year. Amounts charged to the group profit and loss account during the year were £10,894 (company: £1,772). Amounts utilised by the group in the year were £20,894 (company: £1,772).

[illegible] Called up share capital

		2005 £	2004 £
Allotted and fully paid:			
Shares of 10p each	– 3,570,700 (2004: 3,570,700) Ordinary	**357,070**	357,070
	– 6,281,198 (2004: 6,281,198) 'A' non-voting ordinary	**628,120**	628,120
[illegible]		[illegible]	[illegible]

		2005 £	2004 £
Authorised:			
Shares of 10p each	– 4,500,000 Ordinary	**450,000**	450,000
	– 9,000,000 'A' non-voting ordinary	**900,000**	900,000
[illegible]		**1,350,000**	1,350,000

Share options

No share options were outstanding at 30 September 2005 or 2004.

Details of directors' interests in the shares of the company are disclosed in the Remuneration Report on page 18.

Note [illegible] Reserves

	Revaluation reserve £	Capital redemption reserve £	Share premium account £	The Group Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Share premium account £	The Company Profit and loss account £
At 1 October 2004	423,001	151,570	157,083	11,529,603	423,001	151,570	157,083	7,607,701
Exchange adjustments on net investments in subsidiaries	–	–	–	651,617	–	–	–	–
Retained profit for the year	–	–	–	1,752,846	–	–	–	1,330,843
[illegible]	[illegible]	151,570	157,083	13,934,066	423,001	151,570	[illegible]	[illegible]

Note [illegible] Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Total recognised gains and losses for the year	**2,886,221**	1,990,137
Dividends	**(481,758)**	(458,112)
Net increase in shareholders' funds	**2,404,463**	1,532,025
Shareholders' funds at 1 October 2004	**13,246,447**	11,714,422
[illegible] 2005	**15,650,910**	[illegible]

Note [illegible] Pensions

The group operates pension schemes in the UK, Canada, Australia and the USA. 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, Australian and USA schemes are of the defined contribution type. The total pension cost for the group was £946,255 (2004: £886,043), of which £77,532 (2004: £73,721) relates to schemes outside the UK. There were no outstanding or prepaid contributions at the balance sheet date in respect of any scheme. The defined benefit scheme company contribution rates changed during the year from 23.5% to 27.5% (2004: 21.5% to 23.5%) and cost £833,950 (2004: £783,021). The contribution rate is expected to be maintained for 2005/6 at current levels subject to review by the actuary. As a closed scheme under the projected unit method the current service cost is likely to increase as the members of the scheme approach retirement.

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 2003. Generally, it has been assumed that future investment yields would be at 5.0% per annum and that increases in earnings would average 4.0% per annum.

At the date of the latest actuarial valuation of the UK scheme, the market value of the assets of the scheme exceeded £7.0 million and the funding level on the ongoing valuation basis was 93%. The 2003 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 recommendations made by the scheme's actuary to eliminate the minimum funding requirement funding level deficit have been fully implemented.

FRS 17 Retirement Benefits Disclosures

The Accounting Standards Board (ASB) issued FRS 17 "Retirement Benefits" in November 2000, which replaced SSAP 24 "Accounting for Pension Costs". The ASB has since delayed full implementation of FRS 17 and therefore the group has continued to account for pension costs in accordance with SSAP 24. The required disclosures under the transitional arrangements of FRS 17 are set out below.

Under FRS 17 a snapshot is taken of the retirement benefit fund assets and liabilities to coincide with the sponsoring companies financial year-end. Thus movements in equity and bond markets and in discount rates may create some volatility in the calculation of the scheme assets and liabilities. The FTSE-100 index stood at 5,478 at 30 September 2005.

Assumptions

The following actuarial assumptions, updated to the 30 September 2005 by the scheme actuary, have been used in preparing the disclosures required under FRS 17:

	2005	2004	2003
Retail price index expected to rise by	**2.9%**	3.1%	2.8%
Pensionable salaries will increase by	**4.4%**	4.6%	4.3%
Deferred pensions and pensions in payment will increase by	**2.9%**	3.1%	2.8%
Liabilities discounted at a rate of	**5.0%**	5.5%	5.3%

The assets in the scheme and the expected rates of return:

FRS 17 requires the value of annuities purchased in respect of pensioners and widow(er)s to be taken into current year calculations.

	Long-term rate of return expected at 30 Sept 2005	**Fair value at 30 Sept 2005 £'000**	Long-term rate of return expected at 30 Sept 2004	Fair value at 30 Sept 2004 £'000	Long-term rate of return expected at 30 Sept 2003	Fair value at 30 Sept 2003 £'000
Equities	**8.0%**	**7,963**	8.0%	7,476	8.0%	6,086
Bonds	**4.3%**	**433**	4.8%	1,068	4.7%	1,006
Other	**5.9%**	**6,812**	4.0%	3,833	4.0%	3,810
Total market value of assets		**15,208**		12,377		10,902
Present value of scheme liabilities		**(22,306)**		(18,048)		(17,031)
Scheme deficit		**(7,098)**		(5,671)		(6,129)
Related deferred tax asset		**2,129**		1,701		1,840
[illegible]		**(4,969)**		(3,970)		[illegible]

Amounts which will be charged to operating profit:

	2005 £'000	2004 £'000	2003 £'000
Current service cost	**502**	473	444
[illegible]	**502**	[illegible]	[illegible]

Amounts which will be charged to other finance costs:

	2005 £'000	2004 £'000	2003 £'000
Expected return on pension scheme assets	**871**	741	623
Interest on pension scheme liabilities	**(1,013)**	(914)	(788)
[illegible]	**(142)**	[illegible]	[illegible]

Amounts which would be recognised in the statement of total recognised gains and losses (STRGL):

	2005 £'000	2004 £'000	2003 £'000
Actual return less expected return on pension scheme assets	**1,404**	476	712
Experience gains and losses arising on the scheme liabilities	**(463)**	(258)	(406)
Changes in assumptions underlying the present value of the scheme liabilities	**(2,518)**	143	(1,062)
[illegible] recognised in STRGL	**(1,577)**	361	(756)

[illegible]

Movement in the deficit during the year:

		2005 £'000	2004 £'000	2003 £'000
Deficit in scheme at: 1 October 2004		**(5,671)**	(6,129)	(5,395)
Movement in the year	Current service cost	**(502)**	(473)	(444)
	Contributions	**794**	732	671
	Other finance costs	**(142)**	(173)	(165)
	Gains/(losses) on curtailments	**–**	11	(40)
	Actuarial gains/(losses)	**(1,577)**	361	(756)
[illegible]		**(7,098)**	(5,671)	[illegible]

History of experience gains and losses:

	2005 £'000	2004 £'000	2003 £'000
Difference between the expected and actual return on scheme assets	**1,404**	476	712
Percentage of scheme assets	**9.2%**	3.8%	6.5%
Experience gains and losses on scheme liabilities	**(463)**	(258)	(406)
Percentage of the present value of scheme liabilities	**2.1%**	1.4%	2.4%
Total amount recognised in STRGL	**(1,577)**	75	(756)
Percentage of the present value of scheme liabilities	**7.1%**	0.4%	4.4%

Reconciliation of reserves under FRS 17:

	2005 £'000	2004 £'000	2003 £'000
Profit & loss reserve as stated in balance sheet	**13,934**	11,530	9,998
FRS 17 net pension liability	**(4,969)**	(3,970)	(4,289)
[illegible] excluding amounts relating to defined benefit pension liabilities	**8,965**	7,560	[illegible]

[illegible] commitments

Annual commitments under operating leases expiring:

	The Group			
	2005 Land and Buildings £	**2005 Other £**	2004 Land and Buildings £	2004 Other £
Within one year	**71,787**	**17,566**	37,636	18,057
Two to five years	**100,618**	**105,160**	126,118	110,823
[illegible]	**172,405**	**122,726**	163,754	[illegible]

[illegible] to the cash flow statement

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

	2005 £	2004 £
Operating profit	**3,295,016**	3,225,940
Depreciation and amortisation	**601,171**	724,478
(Profit)/loss on sale of fixed assets	**(3,353)**	41,081
(Increase)/decrease in stocks	**663,289**	(45,896)
(Increase)/decrease in debtors	**(716,608)**	(479,350)
Increase/(decrease) in creditors	**(599,737)**	567,464
Increase/(decrease) in creditors – due after one year	**(974)**	(36)
Increase/(decrease) in provisions for liabilities and charges	**(10,000)**	(40,000)
Exchange differences	**396,710**	(128,495)
[illegible] operating activities	**3,625,514**	[illegible]

Reconciliation of net cash flows to movement in net funds:

	2005 £	2004 £
Increase/(decrease) in cash in year	**938,377**	164,708
Increase in liquid resources in year	**51,890**	1,758,327
Decrease in debt and lease financing	–	10,764
Change in net funds resulting from cash flows	**990,267**	1,933,799
Exchange differences	–	44
	990,267	1,933,843
Net funds at 1 October 2004	**5,447,744**	3,513,901
[illegible]	**6,438,011**	[illegible]

Analysis of net funds:

	At 1 October 2004 £	Cash flows £	Exchange movements £	**At 30 September 2005 £**
Cash at bank and in hand	2,465,272	938,377	–	**3,403,649**
Liquid resources	2,982,472	51,890	–	**3,034,362**
Cash and liquid resources	5,447,744	990,267	–	**6,438,011**
[illegible]	5,447,744	990,267	[illegible]	[illegible]

Note 24 Financial instruments

The group's policies towards using financial instruments to manage interest rate, liquidity and currency exposure risks are explained in the Financial Review on page 11.

Currency and interest rate exposure of financial assets and liabilities

The cash amount of £3,403,649 (2004: £2,465,272) is invested at overnight rates based on the relevant national LIBOR. Of the cash £2,242,275 (2004: £1,859,852) is denominated in sterling with the balance of £1,161,374 (2004: £605,420) held in foreign currencies. The short-term deposits of £3,034,362 (2004: £2,982,472) attract interest of 3.9%. Of the short-term deposits £3,034,362 (2004: £2,982,472) is denominated in sterling with the balance of £nil (2004: £nil) held in foreign currencies. Other financial assets and liabilities do not attract interest.
The operations do not hold material monetary assets and liabilities in currencies other than their functional currencies.

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.

[illegible]

The group has an un-drawn committed bank overdraft facility of £500,000 (2004: £500,000). This facility is subject to review in December 2005 when it is expected to be renewed.

Note 25 Contingent liability

Dewhurst plc has provided a guarantee to Dupar Controls Inc. in respect of a loan it has made to The Fixture Company. The amount outstanding on this loan at 30 September 2005 was £182,280 (2004: £176,497). Dewhurst plc has also agreed to support The Fixture Company to enable it to continue in operation through to 1 October 2006.

Note 16 Acquisitions

Acquisition of subsidiary undertakings

On 1 July 2005 Lift Materials Australia Pty Limited, a newly formed group company, acquired the business and assets of the partnership trading as Lift Material in Australia for a total consideration of AUS$2,100,000 (£871,369). In addition a further AUS$100,990 (£41,905) in stamp duty was also paid by Lift Materials Australia Pty Limited.

Details of the transaction:

	Book Value £	Fair Value £
Fixed assets	4,788	4,788
Current assets:		
Stocks	288,699	288,699
Creditors	(4,732)	(4,732)
[illegible]	288,755	[illegible]
Consideration	**871,369**	**871,369**
Stamp Duty	**41,905**	**41,905**
[illegible]	624,519	[illegible]

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	871,369
Stamp duty	41,905
[illegible]	[illegible]

Note 17 Cash flows relating to acquisitions

	£
Operating cash flows	(4,380)
Return on investments	1,293
Taxation	(2,295)
Capital expenditure and financial investment	(2,534)
Financing	82,988
[illegible]	[illegible]

Notice of meeting

Notice is hereby given that the eighty-sixth Annual General Meeting of Dewhurst plc will be held at the registered office, Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT on 2 February 2006 at 11.00 am for the following purposes:

1 To receive and adopt the statement of accounts for the year ended 30 September 2005 and the reports of the directors and auditors thereon.

2 To declare a final dividend on the Ordinary and 'A' ordinary shares.

3 To approve the board's report on Directors' Remuneration.

4 To re-elect as a director Mr R Young, who retires by rotation under the Articles of Association.

5 To re-elect as a director Dr M D White, who retires by rotation under the Articles of Association.

6 To re-appoint BDO Stoy Hayward LLP as auditors at a fee to be agreed by the directors.

7 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 357,070 Ordinary shares and 628,120 'A' non-voting ordinary shares of 10p each (representing 10% 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 2007, 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.

8 To transact any other ordinary business of the company.

By order of the board

Jared Sinclair
Secretary
30 December 2005

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 2006 to 1 February 2006 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 13 January 2006.

group companies

Dewhurst plc
Head office

Melbourne Works
Inverness Road
Hounslow
Middlesex TW3 3LT
Tel: 020 8607 7300
Fax: 020 8572 5986
cosec@dewhurst.co.uk
www.dewhurst.co.uk

UK Subsidiaries

LiftStore Limited
Unit 15
Manor Farm Industrial Estate
Flint, Flintshire
Wales CH6 5UY
Tel: 01352 793222
Fax: 01352 793255
info@liftstore.com
www.liftstore.com

LiftStore Limited
Unit 9
Central Park Estate
Staines Road
Hounslow
Middlesex TW4 5DJ
Tel: 020 8538 1770
Fax: 020 8538 1771
info@liftstore.com
www.liftstore.com

Other overseas representation

The group maintains overseas representation in major
countries throughout the world

Overseas Subsidiaries

Dupar Controls Inc.
1751 Bishop Street
Cambridge
Ontario
Canada N1T 1N5
Tel: 001 519 624 2510
Fax: 001 519 624 2524
info@dupar.com
www.dupar.com

The Fixture Company
600 Northgate Parkway
Unit D, Wheeling
Illinois
USA 60090
Tel: 001 847 419 1419
Fax: 001 847 419 1449
info@thefixtureco.com
www.thefixtureco.com

Australian Lift Components Pty Ltd
5 Saggartfield Road
Minto
NSW 2566
Australia
Tel: 00 612 9603 0200
Fax: 00 612 9603 2700
info@alc.au.com

Lift Materials Australia Pty Ltd
PO Box 7164
Alexandria
NSW 2015
Australia
Tel: 00 612 9310 4288
Fax: 00 612 9698 4990
liftmate@iinet.net.au
www.liftmaterial.com

Advisers

AUDITORS

BDO Stoy Hayward LLP
Chartered Accountants
Emerald House
East Street
Epsom
Surrey KT17 1HS

SECRETARY AND REGISTERED OFFICE

Jared Sinclair
Dewhurst plc
Melbourne Works, Inverness Road
Hounslow, Middlesex TW3 3LT

Registered No. 160314

BANKERS

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

REGISTRARS

Capita IRG plc
Bourne House
34 Beckenham Road
BECKENHAM
Kent BR3 4TU

STOCKBROKERS

Seymour Pierce Ltd
29/30 Cornhill
London EC3V 3NF

SOLICITORS

Lawrence Graham
190 Strand
London WC2R 1JN