

## Final Results

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### RESULTS FOR THE YEAR ENDED 30 JUNE 2020

**FW Thorpe Plc** - a group of companies that design, manufacture and supply professional lighting systems - is pleased to announce its preliminary results for the year ended 30 June 2020.

**Key points:**

Continuing operations	2020	2019	
Revenue	<b>£113.3m</b>	£110.6m	2.4% increase
Operating profit (before profit on disposal of property)	<b>£16.3m</b>	£17.6m	7.5% decrease
Profit before tax (before profit on disposal of property)	<b>£15.9m</b>	£17.7m	9.7% decrease
Profit before tax	<b>£15.9m</b>	£19.6m	18.5% decrease
Basic earnings per share	<b>11.45p</b>	13.91p	17.7% decrease

- Total interim and final dividend of 5.66p (2019: 5.53p) - an increase of 2.4%
- Revenue surpassed last year's high - supported by SmartScan sales, Famostar and Services
- Results dampened by impact of COVID-19 in last quarter of the financial year and the lower margins for Services
- Net cash generated from operating activities remained strong - £19.4m (2019: £21.6m)
- Solid recovery at the start of 2020/21, operating performance in line with the start of 2019/20

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (MAR).*

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**Chairman's Statement**

Despite seriously challenging times for all of us, your Company remains very profitable and in a good, robust condition. The word "unprecedented" has been used prolifically during 2020, and again in the last few days the resilience of the business has been demonstrated, with Lightronics experiencing a fire at its

facility in the Netherlands; I provide more details on this towards the end of my statement.

Until the March lockdown, whilst there were the usual Group ups and downs, most companies were in a strong position, especially at the main division, Thorlux Lighting, where orders were at record numbers and good levels of profit were being achieved. During each of the worst months - in March, April and May - the Group still returned an operating profit. Inevitably, however, profit in those months was much reduced, dampening the year-end result, which, until the COVID pandemic, the Board had expected to be an improvement on the previous year's.

All factories within the Group presently operate with full capacity available, using COVID-secure methods. No factory staff have been on furlough since early June. Over 100 office staff are still working successfully from home, with excellent IT logistics providing the capabilities to work near normally in most cases.

The Annual Report and Accounts contains a more detailed overview of the COVID situation and how it is being dealt with across the Group, together with a closer appraisal of the performance of each Group company.

### **Group results**

Year-end revenue was higher than the previous year's, culminating in an overall increase of 2.4%, at £113.3m. Most of the growth was attributed to Thorlux Lighting, with some of that revenue resulting from larger projects including survey, installation and project management activities. Group cumulative operating profit had been ahead of last year's until lockdown occurred. During April and May in particular, lockdown resulted in significantly reduced revenue for the UK companies, wiping out the cumulative profit gain and losing positive momentum; revenue for this period was down on the previous year's by 27%. Final operating profit for the year was down by 7.5% (before disposal of property last year), at £16.3m - a creditable result, all things considered.

There were notable performances across the Group: at Thorlux, TRT Lighting and Famostar. Thorlux experienced excellent order levels throughout the year, especially for larger special projects in the rail and healthcare sectors, resulting in order income of £75m, up 4%, and an improved return on sales until the last quarter. TRT improved profitability again, albeit dampened by the restrictions in April and May, whilst Famostar managed an increase even in its final operating profit (before acquisition adjustments), of +41%, to €2.8m. In addition, throughout late spring and early summer, the Group's Dutch companies did a tremendous job of safely operating their factories at near-normal levels and experienced only slightly reduced customer demand.

I am proud that both Thorlux and Philip Payne manufactured lights for the Birmingham Nightingale Hospital and continued to supply other healthcare projects throughout the critical period.

Through prudent management of the business over many successful years, FW Thorpe has a strong balance sheet with significant reserves, and at the start of the COVID crisis Group companies were showing good levels of orders. The Board decided not to apply for any government support for furloughed employees during lockdown; this impacted operating costs by £0.6m, as the Group paid all employees normal salary whilst they were not working. This decision was duly considered and leaves the Group free of debt to external supporters, protects its reputation, and gives management ongoing freedom to make choices for the good of the business and its shareholders.

The Group's robust balance sheet and continued strong operating cash flow performance allow the Board to recommend a final dividend of 4.2p per share (2019: 4.1p) for the year to 30 June 2020, which gives a total of 5.66p (2019: 5.53p) and an increase of 2.4%.

### **Outlook**

Remarkably, the 2020/21 financial year has started reasonably well overall for the Group, all things considered, with orders and revenue similar to levels at the start of last year. However, some of the Group's smaller companies are suffering a reduction in orders - most notably Portland Lighting, which primarily serves the retail and hospitality sectors.

Recent investments in new machinery, new factories and in (temporarily suspended) customer experience centres are now completed, putting the Group in good shape. No significant investment is planned in the first months of this new financial year, beyond the usual requirements for keeping products and technology up to date with market expectations.

Such an extreme situation has reminded the Board that FW Thorpe is intentionally managed cautiously to serve many market sectors, both in the type of products manufactured and geographically. This wide focus reduces the Group's exposure to changes in political situation and in technology, and during this year has given some degree of resilience in response to the pandemic.

It seems inevitable, however, that there will be a global recession, and that the UK, against a backdrop of Brexit uncertainty and the intense lockdown enforced by the Government, could be affected worse than many countries.

Whilst the Group's present order book is healthy and daily orders are good, this is partly attributable to an amount of pre-COVID work carried forward and to pent-up demand in the market. Due to significantly reduced new-project sales visits and activity during lockdown, reduced usage of the Group's extensive Application and Experience Centres, and the general state of the economy, it is difficult to predict anything other than a downturn in orders at the end of the 2020 calendar year.

All Group companies are being closely managed and performance is being monitored. Where markets have been severely affected, the Board will focus its attention on finding new markets in more buoyant areas; however, transitioning businesses into these new areas takes time. There are a number of larger-scale project opportunities for Group companies to target, but these inevitably come with tighter margins and higher operating costs.

All Group companies have benefited from the market adoption of LED technology over the last decade. Sales of LED luminaires were relatively easy to achieve, primarily on the basis of significant energy savings and increased reliability. Projects that can benefit from LED technology remain firm targets, such as where projects are still lit with luminaires using fluorescent lamps. For example, recent healthcare projects that Thorlux delivered were funded by paybacks that the customer achieved with LED technology. Opportunities to replace non-LED lamps are, however, fewer now. Early LED installations are now eight to ten years old, so the replacement market will soon become a target again.

Group companies need to offer features beyond energy saving and reliability alone. Options include improving the quality of the white light from LED luminaires, reducing glare, and improving the ecological impacts of our product designs.

Thorlux will continue to invest in controls technology, to offer lighting units with intelligence and connectivity that can link into other areas of building control and information technology. Thorlux continues to successfully evolve the SmartScan system, which now controls and monitors devices beyond purely lighting technology. (You can read more about this in a specific feature later in the Annual Report and Accounts.) Such controls technology will give Group companies an advantage over competitors offering cheap low-quality luminaires. SmartScan is now in use in several other Group companies, which, like Thorlux, are finding the market very receptive to the latest wireless technology.

Longer term, it is widely believed that UK and EU governments will invest to stimulate the economy. FW Thorpe is well positioned to be able to benefit from this as and when it occurs.

The Group remains acquisitive and continues to carefully investigate complementary businesses; however, opportunities have taken a back seat whilst the Board focuses on day-to-day operations and waits for more stability in the Group's markets in Europe and further afield.

### **Personnel**

I would like to thank my whole team for their continued support and diligence through such challenging times. The Board is especially grateful to employees who so positively turned up to the Group's factories to work right through this unprecedented situation, and to those who kept motivated and committed whilst working from home, often from their dining-room tables and with added family distractions. Everyone's flexibility and conscientiousness throughout this period has kept the Group's customers satisfied, with on-time deliveries and services, whilst the companies' professionalism in managing risk has kept everyone in the Group safe.

## Lightronics

As the Board puts the finishing touches to this year's Annual Report and Accounts, I unfortunately have to report that Lightronics experienced a fire on 23 September at its facility in the Netherlands.

Fortunately, no one was injured; however, damage to the assembly area and the European Application Centre is significant. The combination of the fire brigade's actions and the fire protection invested in during the recent refurbishment was able to prevent the fire from spreading to the warehouse and offices. The Board would like to express its thanks to the local fire brigade for their efforts to limit the spread of the fire.

With the support of the Group, Lightronics is working to restore operations to full capacity and has secured a temporary site. Whilst short-term disruption is inevitable, some servicing of customer requirements commenced within 24 hours of the fire. The limited impact on Lightronics' inventories, its ability to source further supplies, as well as the rapid response in which Lightronics is resuming operations and servicing customer needs, should, together with insurance cover for any unavoidable financial loss, result in no significant impact on the Lightronics business this year.

The Board wishes the team in the Netherlands well and thanks them for their efforts to limit the effects of the fire during these challenging times.

### Annual General Meeting 2020

Unfortunately, due to the current restrictions put in place by the UK Government with regard to public gatherings, the Group is unable to hold its annual general meeting in the same way as in previous years. The Board will, of course, endeavour to give shareholders the opportunity to ask questions in other ways; please see the Notice of Meeting for further details. I look forward to welcoming you all back next year.

Best wishes to all the Group's shareholders, stakeholders and employees during this difficult period.

### Mike Allcock

Chairman and Joint Chief Executive

30 September 2020

## Consolidated Results

### Consolidated Income Statement

For the year ended 30 June 2020

	Notes	2020 £'000	2019 £'000
<b>Continuing operations</b>			
Revenue	2	113,342	110,643
Cost of sales		(63,351)	(60,264)
<b>Gross profit</b>		<b>49,991</b>	50,379
Distribution costs		(13,434)	(13,182)
Administrative expenses		(20,489)	(19,840)
Other operating income		264	292
Operating profit (before profit on disposal)		16,332	17,649
Profit on disposal of property		-	1,917
<b>Operating profit</b>	2	<b>16,332</b>	19,566
Finance income		708	1,049
Finance expense		(1,097)	(1,046)
<b>Profit before income tax</b>		<b>15,943</b>	19,569
Income tax expense	3	(2,629)	(3,429)
<b>Profit for the year</b>		<b>13,314</b>	16,140

Earnings per share from continuing operations attributable to the equity holders of the Company during the year (expressed in pence per share)

	Notes	2020 pence	2019 pence
<b>Basic and diluted earnings per share</b>			
- Basic	8	11.45	13.91
- Diluted	8	11.40	13.83

## Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	2020 £'000	2019 £'000
<b>Profit for the year:</b>		<b>13,314</b>	16,140
<b>Other comprehensive income/(expenses)</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		229	153
		<b>229</b>	153
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of financial assets at fair value through other comprehensive income		(834)	(142)
Actuarial loss on pension scheme		(2,039)	(374)
Movement on unrecognised pension scheme surplus		1,869	191
Taxation		13	24
		<b>(991)</b>	(301)

Other comprehensive expense for the year, net of tax (762) (148)

**Total comprehensive income for the year attributable to equity shareholders 12,552 15,992**

## Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	Group	
		2020 £'000	2019 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	30,574	25,353
Intangible assets	6	21,032	21,687
Investment property		1,987	2,006
Financial assets at amortised cost		1,800	3,567
Equity accounted investments and joint arrangements		-	936
Financial assets at fair value through other comprehensive income		3,772	3,683
<b>Total non-current assets</b>		<b>59,165</b>	<b>57,232</b>
<b>Current assets</b>			
Inventories		25,296	25,506
Trade and other receivables		21,256	21,502
Financial assets at amortised cost		625	-
Other financial assets at fair value through profit or loss		-	387
Short-term financial assets	7	18,580	26,483
Cash and cash equivalents		44,422	30,807
<b>Total current assets</b>		<b>110,179</b>	<b>104,685</b>
<b>Total assets</b>		<b>169,344</b>	<b>161,917</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		(36,185)	(21,912)
Lease liabilities		(220)	-
Current income tax liabilities		(831)	(1,935)
<b>Total current liabilities</b>		<b>(37,236)</b>	<b>(23,847)</b>
<b>Net current assets</b>		<b>72,943</b>	<b>80,838</b>
<b>Non-current liabilities</b>			
Other payables		(67)	(12,804)
Lease liabilities		(417)	-
Provisions for liabilities and charges		(2,721)	(2,404)
Deferred income tax liabilities		(601)	(699)
<b>Total non-current liabilities</b>		<b>(3,806)</b>	<b>(15,907)</b>
<b>Total liabilities</b>		<b>(41,042)</b>	<b>(39,754)</b>
<b>Net assets</b>		<b>128,302</b>	<b>122,163</b>
<b>Equity</b>			
Share capital		1,189	1,189
Share premium account		1,526	1,266
Capital redemption reserve		137	137
Foreign currency translation reserve		2,764	2,535
Retained earnings			
At 1 July		117,036	107,527
Profit for the year attributable to the owners		13,314	16,140
Other changes in retained earnings		(7,664)	(6,631)
		122,686	117,036
<b>Total equity</b>		<b>128,302</b>	<b>122,163</b>

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 July 2018</b>		1,189	1,017	137	2,382	107,527	112,252
<b>Comprehensive income</b>							
Profit for the year to 30 June 2019		-	-	-	-	16,140	16,140
Actuarial loss on pension scheme		-	-	-	-	(374)	(374)

Movement on unrecognised pension scheme surplus	-	-	-	-	191	191
Revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	(142)	(142)
Movement on associated deferred tax	-	-	-	-	24	24
Exchange differences on translation of foreign operations	-	-	-	153	-	153
<b>Total comprehensive income</b>	-	-	-	153	15,839	15,992
<b>Transactions with owners</b>						
Shares issued from exercised options	-	249	-	-	-	249
Purchase of own shares	-	-	-	-	(117)	(117)
Dividends paid to shareholders	4	-	-	-	(6,299)	(6,299)
Share based payment charge	-	-	-	-	86	86
<b>Total transactions with owners</b>	-	249	-	-	(6,330)	(6,081)
<b>Balance at 30 June 2019</b>	<b>1,189</b>	<b>1,266</b>	<b>137</b>	<b>2,535</b>	<b>117,036</b>	<b>122,163</b>
Adjustments on first time adoption of IFRS16 (net of tax) *	-	-	-	-	(265)	(265)
<b>Restated balance at 1 July 2019</b>	<b>1,189</b>	<b>1,266</b>	<b>137</b>	<b>2,535</b>	<b>116,771</b>	<b>121,898</b>
<b>Comprehensive income</b>						
Profit for the year to 30 June 2020	-	-	-	-	13,314	13,314
Actuarial loss on pension scheme	-	-	-	-	(2,039)	(2,039)
Movement on unrecognised pension scheme surplus	-	-	-	-	1,869	1,869
Revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	(834)	(834)
Movement on associated deferred tax	-	-	-	-	81	81
Impact of deferred tax rate change	-	-	-	-	(68)	(68)
Exchange differences on translation of foreign operations	-	-	-	229	-	229
<b>Total comprehensive income</b>	-	-	-	229	12,323	12,552
<b>Transactions with owners</b>						
Shares issued from exercised options	-	260	-	-	-	260
Dividends paid to shareholders	4	-	-	-	(6,468)	(6,468)
Share based payment charge	-	-	-	-	60	60
<b>Total transactions with owners</b>	-	260	-	-	(6,408)	(6,148)
<b>Balance at 30 June 2020</b>	<b>1,189</b>	<b>1,526</b>	<b>137</b>	<b>2,764</b>	<b>122,686</b>	<b>128,302</b>

## Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Notes	Group	
		2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	23,231	25,038
Tax paid		(3,848)	(3,476)
<b>Net cash generated from operating activities</b>		<b>19,383</b>	<b>21,562</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(6,988)	(6,852)
Proceeds from sale of property, plant and equipment		212	3,796
Purchase of intangibles		(1,719)	(2,417)
Disposal of investment property		-	12
Purchase of available for sale investments		(61)	-
Net sale of financial assets at fair value through other comprehensive income		-	70
Proceeds from sale of other financial assets at fair value through Profit and Loss account		387	-
Property rental and similar income		92	205
Dividend income		187	225
Net withdrawal/(deposit) of short-term financial assets		7,903	(11,193)
Interest received		322	403
Net receipt/(issue) of loan notes		1,156	2,575
<b>Net cash received from/(used) in investing activities</b>		<b>1,491</b>	<b>(13,176)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from the issuance of ordinary shares		260	249
Purchase of own shares		-	(117)
Proceeds from loans		192	-
Repayment of borrowings		(203)	(197)
Settlement of lease liabilities		(1,011)	-

Payment of lease liabilities	(265)	-
Payment of lease interest	(36)	-
Dividends paid to Company's shareholders	4	(6,299)
<b>Net cash used in financing activities</b>	<b>(7,531)</b>	<b>(6,364)</b>
<b>Effects of exchange rate changes on cash</b>	<b>272</b>	<b>117</b>
<b>Net increase in cash in the year</b>	<b>13,615</b>	<b>2,139</b>
Cash and cash equivalents at beginning of year	30,807	28,668
<b>Cash and cash equivalents at end of year</b>	<b>44,422</b>	<b>30,807</b>

## Notes

### 1 Basis of preparation

The consolidated and company financial statements of FW Thorpe Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Companies Act 2006. The financial statements have been prepared on a going concern basis, under the historical cost convention except for the financial instruments measured at fair value either through other comprehensive income or profit and loss per the provisions of IFRS9. The accounting policies are the same as used in the Annual Report and Accounts 2020, which is to be published on the Group's website.

The Group adopted for the first time IFRS 16 "Leases" for the year ended 30 June 2020. There are no other standards that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The consolidated financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency, rounded to the nearest thousand.

The directors confirm they are satisfied that the Group and Company have adequate resources, with £44.4m cash and £18.6m short term deposits, to continue in business for the foreseeable future factoring in the expected impact of COVID-19. They have also produced an analysis that demonstrates that the Group could cover its cash commitments even if there were zero sales over the following year from approving these accounts. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The financial information set out in this document does not constitute the statutory financial statements of the Group for the year end 30 June 2020 but is derived from the Annual Report and Accounts 2020. The auditors have reported on the annual financial statements and issued an unqualified opinion.

### 2 Segmental Analysis

#### (a) Business segments

The segmental analysis is presented on the same basis as that used for internal reporting purposes. For internal reporting FW Thorpe is organised into ten operating segments based on the products and customer base in the lighting market - the largest business is Thorlux, which manufactures professional lighting systems for industrial, commercial and controls markets. The businesses in the Netherlands, Lightronics and Famostar, are material subsidiaries and disclosed separately as Netherlands companies.

The seven remaining operating segments have been aggregated into the "other companies" reportable segment based upon their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited, Thorlux Lighting GmbH.

FW Thorpe's chief operating decision-maker (CODM) is the Group Board. The Group Board reviews the Group's internal reporting in order to monitor and assess performance of the operating segments for the purpose of making decisions about resources to be allocated. Performance is evaluated based on a combination of revenue and operating profit. Assets and liabilities have not been segmented, which is consistent with the Group's internal reporting.

	Thorlux £'000	Netherlands companies £'000	Other companies £'000	Inter- segment adjustments £'000	Total continuing operations £'000
<b>Year to 30 June 2020</b>					
Revenue to external customers	65,615	31,340	16,387	-	113,342
Revenue to other group companies	3,164	234	4,021	(7,419)	-
<b>Total revenue</b>	<b>68,779</b>	<b>31,574</b>	<b>20,408</b>	<b>(7,419)</b>	<b>113,342</b>
<b>Operating profit</b>	<b>10,150</b>	<b>4,125</b>	<b>1,412</b>	<b>645</b>	<b>16,332</b>
Net finance expense					(389)
<b>Profit before income tax</b>					<b>15,943</b>

#### Year to 30 June 2019 (restated)

Revenue to external customers	62,304	31,059	17,280	-	110,643
Revenue to other group companies	3,551	372	3,567	(7,490)	-
<b>Total revenue</b>	<b>65,855</b>	<b>31,431</b>	<b>20,847</b>	<b>(7,490)</b>	<b>110,643</b>
Operating profit (before disposal of property)	11,578	3,620	2,398	53	17,649
Profit on disposal of property					1,917
<b>Operating profit</b>	<b>11,578</b>	<b>3,620</b>	<b>2,398</b>	<b>53</b>	<b>19,566</b>
Net finance income					3
<b>Profit before income tax</b>					<b>19,569</b>

Inter segment adjustments to operating profit consist of property rentals on premises owned by FW Thorpe Plc, adjustments to profit related to stocks held within the Group that were supplied by another segment and elimination of profit on transfer of assets between Group companies. The prior year segmental reporting has been restated to provide comparatives of the Netherlands companies together.

#### (b) Geographical analysis

The Group's business segments operate in four main areas, the UK, the Netherlands, the rest of Europe and the rest of the World. The home country of the company, which is also the main operating company, is the UK.

<b>2020</b>	<b>2019</b>
<b>£'000</b>	<b>£'000</b>

UK	69,657	68,706
Netherlands	28,748	28,227
Rest of Europe	12,265	11,185
Rest of the World	2,672	2,525
	<b>113,342</b>	<b>110,643</b>

### 3 Income Tax Expense

Analysis of income tax expense in the year:

	2020 £'000	2019 £'000
<b>Current tax</b>		
Current tax on profits for the year	3,691	3,963
Adjustments in respect of prior years	(981)	(609)
<b>Total current tax</b>	<b>2,710</b>	<b>3,354</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(81)	75
<b>Total deferred tax</b>	<b>(81)</b>	<b>75</b>
<b>Income tax expense</b>	<b>2,629</b>	<b>3,429</b>

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before income tax	15,943	19,569
Profit on ordinary activities multiplied by the standard rate in the UK of 19.00% (2019: 19.00%)	3,029	3,718
Effects of:		
Expenses not deductible for tax purposes	854	881
Accelerated tax allowances and other timing differences	17	55
Adjustments in respect of prior years	(981)	(609)
Chargeable gains relief on disposal of property	-	(352)
Patent box relief	(643)	(597)
Foreign profit taxed at higher rate	353	333
<b>Tax charge</b>	<b>2,629</b>	<b>3,429</b>

The effective tax rate was 16.49% (2019: 17.52%). Adjustments in respect of prior years relates to refunds received for prudent assumptions on additional investment allowances and patent box relief in the tax calculations.

The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%.

### 4 Dividends

Dividends paid during the year are outlined in the tables below:

<b>Dividends paid (pence per share)</b>	2020	2019
Final dividend	4.10	4.00
Interim dividend	1.46	1.43
<b>Total</b>	<b>5.56</b>	<b>5.43</b>

A final dividend in respect of the year ended 30 June 2020 of 4.20p per share, amounting to £4,886,000 (2019: £4,763,000) is to be proposed at the Annual General Meeting on 19 November 2020 and, if approved, will be paid on 26 November 2020 to shareholders on the register on 30 October 2020. The ex-dividend date is 29 October 2020. These financial statements do not reflect this dividend payable.

<b>Dividends proposed (pence per share)</b>	2020	2019
Final dividend	4.20	4.10

<b>Dividends paid</b>	2020 £'000	2019 £'000
Final dividend	4,770	4,639
Interim dividend	1,698	1,660
<b>Total</b>	<b>6,468</b>	<b>6,299</b>

<b>Dividends proposed</b>	2020 £'000	2019 £'000
Final dividend	4,886	4,763

### 5 Property, Plant and Equipment

	Group			Total £'000
	Freehold land and buildings £'000	Plant and equipment £'000	Right- of-use assets £'000	
<b>Cost</b>				
At 1 July 2019	19,720	23,851	-	43,571

Adoption of IFRS16	-	-	2,266	2,266
At 1 July (restated)	19,720	23,851	2,266	45,837
Additions	3,709	4,016	192	7,917
Disposals	(31)	(1,005)	(1,628)	(2,664)
Transfers	(17)	17	-	-
Currency translation	171	54	26	251
<b>At 30 June 2020</b>	<b>23,552</b>	<b>26,933</b>	<b>856</b>	<b>51,341</b>
<b>Accumulated depreciation</b>				
At 1 July 2019	3,712	14,506	-	18,218
Adoption of IFRS16	-	-	908	908
At 1 July (restated)	3,712	14,506	908	19,126
Charge for the year	662	2,331	228	3,221
Disposals	(31)	(911)	(699)	(1,641)
Transfers	(2)	2	-	-
Currency translation	21	27	13	61
<b>At 30 June 2020</b>	<b>4,362</b>	<b>15,955</b>	<b>450</b>	<b>20,767</b>
<b>Net book amount</b>				
<b>At 30 June 2020</b>	<b>19,190</b>	<b>10,978</b>	<b>406</b>	<b>30,574</b>

	Group		
	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 1 July 2018	18,676	21,328	40,004
Additions	3,176	3,616	6,792
Disposals	(2,199)	(1,116)	(3,315)
Currency translation	67	23	90
<b>At 30 June 2019</b>	<b>19,720</b>	<b>23,851</b>	<b>43,571</b>
<b>Accumulated depreciation</b>			
At 1 July 2018	3,829	13,496	17,325
Charge for the year	546	1,962	2,508
Disposals	(673)	(962)	(1,635)
Currency translation	10	10	20
<b>At 30 June 2019</b>	<b>3,712</b>	<b>14,506</b>	<b>18,218</b>
<b>Net book amount</b>			
<b>At 30 June 2019</b>	<b>16,008</b>	<b>9,345</b>	<b>25,353</b>

## 6 Intangible Assets

	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
<b>Group 2020</b>								
<b>Cost</b>								
At 1 July 2019	14,921	7,292	2,956	1,304	2,202	150	182	29,007
Additions	-	1,322	-	-	397	-	-	1,719
Write-offs and transfers	-	(1,275)	-	-	(26)	-	-	(1,301)
Currency translation	195	18	44	19	-	-	-	276
<b>At 30 June 2020</b>	<b>15,116</b>	<b>7,357</b>	<b>3,000</b>	<b>1,323</b>	<b>2,573</b>	<b>150</b>	<b>182</b>	<b>29,701</b>
<b>Accumulated amortisation</b>								
At 1 July 2019	246	3,441	1,504	801	1,178	150	-	7,320
Charge for the year	-	1,715	371	162	329	-	-	2,577
Write-offs and transfers	-	(1,275)	-	-	(26)	-	-	(1,301)
Currency translation	2	21	33	17	-	-	-	73
<b>At 30 June 2020</b>	<b>248</b>	<b>3,902</b>	<b>1,908</b>	<b>980</b>	<b>1,481</b>	<b>150</b>	<b>-</b>	<b>8,669</b>
<b>Net book amount</b>								
<b>At 30 June 2020</b>	<b>14,868</b>	<b>3,455</b>	<b>1,092</b>	<b>343</b>	<b>1,092</b>	<b>-</b>	<b>182</b>	<b>21,032</b>

Write-offs relate to development assets where no further economic benefits will be obtained.

	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
<b>Group 2019</b>								
<b>Cost</b>								
At 1 July 2018	14,786	6,779	2,924	1,291	1,789	150	182	27,901
Additions	-	1,791	-	-	592	-	-	2,383
Write-offs and transfers	-	(1,293)	-	-	(178)	-	-	(1,471)
Currency translation	135	15	32	13	(1)	-	-	194
<b>At 30 June 2019</b>	<b>14,921</b>	<b>7,292</b>	<b>2,956</b>	<b>1,304</b>	<b>2,202</b>	<b>150</b>	<b>182</b>	<b>29,007</b>
<b>Accumulated amortisation</b>								
At 1 July 2018	249	3,062	1,117	599	1,128	150	-	6,305
Charge for the year	-	1,662	372	193	229	-	-	2,456
Write-offs and transfers	-	(1,293)	-	-	(178)	-	-	(1,471)
Currency translation	(3)	10	15	9	(1)	-	-	30
<b>At 30 June 2019</b>	<b>246</b>	<b>3,441</b>	<b>1,504</b>	<b>801</b>	<b>1,178</b>	<b>150</b>	<b>-</b>	<b>7,320</b>



**Net book amount**

At 30 June 2019	14,675	3,851	1,452	503	1,024	-	182	21,687
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**7 Short-term Financial Assets**

<b>Group and Company</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Beginning of year	26,483	15,290
Net (withdrawals)/ deposits	(7,903)	11,193
	<b>18,580</b>	<b>26,483</b>

The short-term financial assets consist of term cash deposits in sterling with an original term in excess of three months.

**8 Earnings Per Share****Basic and diluted earnings per share for profit attributable to equity holders of the Company**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

<b>Basic</b>	<b>2020</b>	<b>2019</b>
Weighted average number of ordinary shares in issue	116,272,709	116,060,378
Profit attributable to equity holders of the Company (£'000)	13,314	16,140
Basic earnings per share (pence per share) total	11.45	13.91

<b>Diluted</b>	<b>2020</b>	<b>2019</b>
Weighted average number of ordinary shares in issue (diluted)	116,805,366	116,689,595
Profit attributable to equity holders of the Company (£'000)	13,314	16,140
Diluted earnings per share (pence per share) total	11.40	13.83

**9 Cash Generated from Operations**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash generated from continuing operations</b>		
Profit before income tax	15,943	19,569
Depreciation charge	3,221	2,508
Depreciation of investment property	19	58
Amortisation of intangibles	2,577	2,456
Profit on disposal of property, plant and equipment	(118)	(2,116)
Net finance expense/(income)	389	(3)
Retirement benefit contributions in excess of current and past service charge	(170)	(183)
Share based payment charge	1,211	855
Research and development expenditure credit	(249)	(292)
Effects of exchange rate movements	(219)	(48)
Changes in working capital		
- Inventories	238	(4,025)
- Trade and other receivables	571	2,428
- Payables and provisions	(182)	3,831
<b>Total cash generated from operations</b>	<b>23,231</b>	<b>25,038</b>

**10 Cautionary statement**

Sections of this report contain forward looking statements that are subject to risk factors including the economic and business circumstances occurring from time to time in countries and markets in which the Group operates. By their nature, forward looking statements involve a number of risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward looking statements. No assurance can be given that the forward-looking statements in this preliminary announcement will be realised. Statements about the Chairman's expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change, and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Company's control. Actual results could differ materially from the Company's current expectations. It is believed that the expectations set out in these forward looking statements are reasonable but they may be affected by a wide range of variables which could cause actual results or trends to differ materially, including but not limited to, changes in risks associated with the Company's growth strategy, fluctuations in product pricing and changes in exchange and interest rates.

**11 Annual report and accounts**

The annual report and accounts will be sent to shareholders on 12 October 2020 and will be available, along with this announcement, on the Group's website ([www.fwthorpe.co.uk](http://www.fwthorpe.co.uk)) from 5 October 2020. The Group will hold its AGM on 19 November 2020.

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