

GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT



DIRECTORS REPORT AND ACCOUNTS

30th APRIL 2016

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GOODWIN PLC

www.goodwin.co.uk

Registered in England and Wales, Number 305907

Established 1883

Directors:

J. W. Goodwin (*Chairman*)

J. Connolly

S. R. Goodwin

B. R. E. Goodwin

J. E. Kelly (*Non-Executive Director*)

R. S. Goodwin (*Managing Director*)

M. S. Goodwin

S. C. Birks

T. J. W. Goodwin

Secretary and registered office:

Mrs. P. Ashley, B.A., A.C.I.S.

Ivy House Foundry, Hanley,

Stoke-on-Trent, ST1 3NR

Registrar and share transfer office:

Computershare Investor Services PLC,

P.O. Box No. 82,

Bristol, BS99 7NH

Auditors:

KPMG LLP,

One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

NOTICE IS HEREBY GIVEN that the EIGHTY FIRST ANNUAL GENERAL MEETING of the Company will be held at 10.30 am on Wednesday, 5th October, 2016, at Crewe Hall, Weston Road, Crewe, Cheshire CW1 6UZ, for the purpose of considering and, if thought fit, passing the following resolutions which are proposed as ordinary resolutions.

1. To receive the Directors' Reports and the audited financial statements for the year ended 30th April, 2016.
2. To approve the payment of the proposed ordinary dividend on the ordinary shares.
3. To re-elect Mr. J. Connolly as a Director.
4. To re-elect Mr. S. C. Birks as a Director.
5. To re-elect Mr. B. R. E. Goodwin as a Director.
6. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 30th April, 2016, as stated on pages 19 to 21 of the Directors' Report.
7. To approve the Directors' Remuneration Policy, the full text of which is set out on pages 16 to 18 of the Directors' Report.
8. To approve and adopt the Company's Equity Long Term Incentive Plan (the "LTIP"), the principal terms of which are set out in the explanatory notes enclosed with the Directors' Report, and to authorise the Directors to adopt the LTIP and to take any action necessary or appropriate to implement and grant awards under the LTIP.
9. To adopt FRS 101, 'Reduced Disclosure Framework' for the Goodwin PLC Company financial statements as detailed in the enclosed explanatory notes.
10. To re-appoint KPMG LLP as auditor and to authorise the Directors to determine their remuneration.

By Order of the Board

P. Ashley
Secretary

Registered Office:
Ivy House Foundry,
Hanley, Stoke-on-Trent.
28th July, 2016

NOTES TO NOTICE OF ANNUAL GENERAL MEETING:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post, by scanned copy sent to proxies@goodwingroup.com or (during normal business hours only) by hand at Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR no later than 10.30am on 3rd October, 2016.
3. The return of a completed proxy form or other such instrument will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 10.30 am on 3rd October, 2016 (or, in the event of any adjournment, 10.30 am on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 27th July, 2016 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 7,200,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28th July, 2016 are 7,200,000.
8. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
10. None of the Directors have service contracts with the Company.
11. If approved by shareholders the ordinary dividends will be paid to shareholders on 7th October, 2016.

GOODWIN PLC

CHAIRMAN'S STATEMENT

The pre-tax profit for the Group for the twelve month period ending 30th April, 2016, was £12.3 million (2015: £20.1 million), a decrease of 39% on a revenue of £124 million (2015: £127 million) which is 3% down on the figures reported for the same period last financial year. The Directors propose an unchanged ordinary dividend of 42.348p (2015: 42.348p).

The diversity of products that address different world markets is part of the Group's strength, but even the history of diversity between our foundry, our valve companies that primarily address the oil, gas and LNG industries, our pump companies that primarily address the mining industries, our radar systems company and our ten refractory companies has not been enough to prevent the decline in profits over the past two years.

The severe contraction of the oil and gas industry worldwide, with over US\$530 billion of cancelled or delayed projects, and the mining industries, who have had a very difficult year, has presented a challenge and the resultant reduced spending levels in the jewellery markets and the slowdown in China have all been unhelpful. There is, however, brightness on the horizon, with Easat Radar Systems, which absorbed NRPL Aero Oy, Finland this last year, and has a record workload of £12.5 million. Noreva GmbH has a similar order book level for its nozzle valves, which results from a combination of winning large orders in Saudi Arabia and from the USA LNG industry, and also starts the new year with a record order book.

Steps have been taken at Goodwin International over the past two years to add additional market sectors to its portfolio of products and customers by offering machining and high integrity fabrication for other customers. This has resulted in additional order input for the new financial year but as yet not enough to compensate for the drop-off of the oil and gas sector where we are still winning some orders of the few that are available. Some of this new non valve work will be spread out over multi-year contracts, but nevertheless, it has in part allowed the Group to mitigate some of the major damage from such a vast contraction of the oil, gas and mining industry activity where we will be unlikely to see significant signs of regeneration for another two years.

Goodwin Refractory Services benefitted from the asset purchase it made last year from a complementary French casting powder company and grew its pre-tax profits by 47% to £1.47 million. Similarly, in this new financial year, following intangible asset purchases in October 2015 from Westland (GB Trading) Limited and having spent six months of last year constructing a new perlite plant at Hoben International, both Dupré Minerals and Hoben International are expected to significantly improve their profitability as compared to the financial year just completed.

All the above does not alter the fact that our steel foundry and UK valve manufacturing activity have less orders and the ones we have are on tighter margins, but at least the new areas of business are softening the unwelcome severe downturn in the oil and gas and mining industries. It would be appropriate to thank all those involved in developing these new areas of business which have programmes that run for many years.

The Group order workload as at 30th April, 2016 is 16% higher than 12 months earlier and stood at £92 million. Although some of this workload has tighter margins, it provides a better start to the new year which will be difficult with world trading conditions being less than buoyant.

Goodwin International will be launching its newly developed and patented axial piston control and shut off valve at the Düsseldorf Valve World Exhibition this coming November and, similarly in Düsseldorf, Goodwin Steel Castings will be presenting a paper at the Duplex Conference in October on higher performing duplex stainless steel castings and welding electrode wire and rod.

The Group's net cash generated from operating activities prior to investments amounted to £9.9 million (2015: £18.0 million) and the Group's gearing at the year end was 26.1% (2015: 12.3%).

Shareholders' equity has risen from £82.7 million to £86.3 million. It has been decided by the Board that it would be appropriate, subject to shareholder approval at the Annual General Meeting, to incentivise the Executive Directors of Goodwin PLC to drive back the total shareholder return ("TSR") towards the levels it enjoyed two years ago by increasing Group turnover and pre-tax

CHAIRMAN'S STATEMENT *(continued)*

profitability. Whilst this may not occur in one year, the three year programme targeted to bring in new products and customers will hopefully, with hard work, position the Group in a more favourable situation. Accordingly, shareholders are also being asked to approve a revised Directors' Remuneration Policy incorporating the new long-term incentive plan.

For the key performance indicators and ratios please refer to the website www.goodwin.co.uk/2016.

We take the opportunity of thanking the employees and the Directors both in our UK and overseas companies for the hard work put in to achieve these Group results.

28th July, 2016

J. W. Goodwin
Chairman

OBJECTIVES, STRATEGY AND BUSINESS MODEL

The Group's main **OBJECTIVE** is to have a sustainable long-term engineering based business with good potential for profitable growth while providing a fair return to our shareholders.

The Board's **STRATEGY** to achieve this is:

- to supply a range of technically advanced products to growth markets in the mechanical engineering and refractory engineering segments in which we have built up a global reputation for engineering excellence, quality, efficiency, reliability, price and delivery;
- to manufacture advanced technical products profitably, efficiently, and economically;
- to maintain an ongoing programme of investment in plant, facilities, sales and marketing, research and development with a view to increasing efficiency, reducing costs, increasing performance, delivering better products for our customers, expanding our global customer base and keeping us at the forefront of technology within our markets;
- to control our working capital and investment programme to ensure a safe level of gearing;
- to maintain a strong capital base to retain investor, customer, creditor and market confidence and so help sustain future development of the business;
- to support a local presence and a local workforce in order to stay close to our customers;
- to invest in training and development of skills for the Group's future.

BUSINESS MODEL

The Group's focus is on manufacturing within two sectors; mechanical engineering and refractory engineering and through this division of our manufacturing activities, the Group benefits from market diversity. Further details of our business and products are shown on our website www.goodwin.co.uk/2016.

Mechanical Engineering

The Group produces a wide range of dual plate and axial nozzle check valves to serve the oil, petrochemical, gas, LNG and water markets. We create value by globally sourcing the best quality raw material at good prices, manufacturing in highly efficient facilities using up to date technology to provide the very reliable products to the required specification, at competitive prices and with timely deliveries.

Our mechanical engineering markets also include high alloy castings, machining and general engineering products which typically form part of large construction projects such as power generation plants, oil refineries, high integrity offshore structural components and bridges. The Group through its foundry and CNC machine shop has the capability to pour the castings, radiograph and also finish them in-house. This capability is also targeting the defence industry.

Goodwin International, the largest company in the Mechanical Engineering Division, designs and manufactures dual plate and axial nozzle valves and also undertakes specialised CNC machining and fabrication work. Noreva GmbH also designs and manufactures axial nozzle valves. Both Goodwin International and Noreva purchase the majority of their sand mould castings from Goodwin Steel Castings and this vertical integration gives rise to competitive benefits, increased efficiencies, and timely deliveries.

At Goodwin Pumps India we manufacture a superior range of submersible slurry pumps for end users in India, China, Brazil and Africa. Easat Radar Systems designs and builds bespoke high-performance radar antennas to the global market of major defence contractors, civil aviation authorities and border security agencies. We create value on these by innovative design and assembly in our own facilities using bought in or engineered in-house components.

Refractory Engineering

Within the Refractory Engineering Division, Goodwin Refractory Services (GRS), creates value by developing, manufacturing and selling investment casting powders, waxes, silicone rubber and machinery for use in the following operations: jewellery casting, aerospace, tyre moulding and the compressor wheels for turbochargers. The Division has nine other investment casting powder companies around the world that carry out the same activities as GRS, located in China, India, Thailand and Brazil. These nine companies are vertically integrated with another of our UK refractory companies, Hoben International, which manufactures cristobalite that it sells to the ten group jewellery casting manufacturing companies, as well as producing ground silica which also goes into casting powders. Towards the end of the year Hoben International started to manufacture and sell perlite products.

The other UK refractory company is Dupré Minerals which focuses on producing exfoliated vermiculite that is used in insulation, brake linings and fire protection products including textiles that can withstand high temperatures. Dupré also sells consumables to the shell moulding casting industry.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations expose it to a variety of risks and uncertainties. These risks are no different to previous years, and they are not expected to change substantially in the foreseeable future. The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The key risks are discussed below.

Market risk: The Group provides a range of products and services, and there is a risk that the demand for these products and services will vary from time to time because of competitor action or economic cycles or international trade friction or even wars. As shown in note 2 to the financial statements, the Group operates across a range of geographical regions, and its turnover is split across the UK, Europe, USA, the Pacific Basin and the rest of the world. This spread reduces risk in any one territory. Similarly, the Group operates in both mechanical engineering and refractory engineering sectors, mitigating the risk of a downturn in any one product area. The potential risk of the loss of any key customer is limited as, typically, no single customer accounts for more than 10% of turnover. As described in the Business Model, the Group generates significant sales from the worldwide energy markets. Whilst these markets may suffer short-term short declines, over the medium to long-term the growing worldwide demand for energy will ensure these markets remain buoyant.

Technical risk: The Group develops and launches new products as part of its strategy to enhance the long-term value of the Group. Such development projects carry business risks, including reputational risk, abortive expenditure and potential customer claims which may have a material impact on the Group. The potential risk here is seen as manageable given the Group is developing products in areas in which it is knowledgeable and new products are tested prior to their release into the market.

Product failure/Contractual risk: The risks that the Group supplies products that fail or are not manufactured to specification are risks that all manufacturing companies are exposed to but we try to minimise these risks through the use of highly skilled personnel operating within robust quality control system environments using third party accreditations where appropriate. With regard to the risk of failure in relation to new products coming on line, the additional risks here are minimised at the R&D stage, where prototype testing and the deployment of a robust closed loop product performance quality control system provides feed back to the design department for the products we manufacture and sell. The risk of not meeting safety expectations, or causing significant adverse impacts to customers or the environment is countered by the combination of the controls mentioned within this section. The risk of product obsolescence is countered by R&D investment.

Health and safety: The Group's operations involve the typical health and safety hazards inherent in manufacturing and business operations. The Group is subject to numerous laws and regulations relating to health and safety around the world. Hazards are managed by carrying out risk assessments and introducing appropriate controls, as well as attending safety training courses.

Acquisitions: The Group's growth plan over recent years has included a number of acquisitions. There is the risk that these, or future acquisitions, fail to provide the planned value. This risk is mitigated through financial and technical due diligence during the acquisition process and the Group's inherent knowledge of the markets they operate in.

Financial risk: The principal financial risks faced by the Group are changes in market prices (interest rates, foreign exchange rates and commodity prices). Detailed information on the financial risk management objectives and policies is set out in note 20 to the financial statements. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques, including credit insurance, stage payments, forward foreign exchange contracts, secured and unsecured credit lines, and interest rate swaps.

Regulatory compliance: The Group's operations are subject to a wide range of laws and regulations. Both within Goodwin PLC and its subsidiaries, the Directors and Senior Managers within the companies make best endeavours to comply with the relevant laws and regulations.

Assessment of Principal Risks: Changes and likely impact: The lead up to the vote on whether to leave or remain in the EU saw delays in the release of public and private infrastructure investments. Although a post balance sheet event the UK's vote to exit from the EU will impose new challenges and uncertainties. The review of trade agreements and legislation is an unknown. However, we see the immediate effect of a weakening of sterling as being a major competitive advantage in our favour. For year end 30th April, 2015, 60% of our exports were to countries other than those in the EU and this year over 50% of sales are to non EU areas where we will now be more competitive.

As part of the Board's risk management and control of principal risks, areas of monitoring and expert advice undertaken are reported upon by the Audit Committee on pages 13 to 15.

CORPORATE SOCIAL RESPONSIBILITY

Greenhouse Gas ("GHG") emissions

The sites reporting GHG data are the same as those consolidated in the Group's financial statements, and we have included all material qualifying emissions around the Group for the years to 30th April, 2016, and 30th April, 2015.

Regrettably the sustained 3 year effort to install a renewable energy wind turbine at our mineral processing site in Derbyshire has been refused planning permission. This would have reduced the CO₂e by 1,100 tonnes had Derbyshire Dales District Council seen fit to allow it to be installed alongside many existing wind turbines.

We are hopeful the government will reinstate its support for projects on CO₂ sequestration as this would be complementary to the developments we have made in using high nickel alloy castings in CO₂ reduction technology in future power generating plants.

We have used the reporting guidance set out by the Department for Environment, Food & Rural Affairs ("DEFRA") environmental reporting guidelines published in June 2013, and used the methodology set out in their Guide for participants in Phase 2 CRC Energy Efficiency Scheme guidance for participants in Phase 2 (2014-2015 to 2018-2019) Version 4 Published: 11/09/2015 using the latest DEFRA emission factors for Scope 1 and Scope 2 emissions.

The intensity factor increase is primarily a result of lower manufactured product sales values being obtained for similar amounts of work in a very competitive marketplace.

	2016 Tonnes of CO ₂ e	2015 Tonnes of CO ₂ e
Scope 1 – direct emissions (from company facilities and vehicles)	54,530	54,394
Scope 2 – indirect emissions (from electricity purchased for own use)	10,344	10,377
Total Scope 1 and Scope 2 emissions	64,864	64,771
Intensity – emissions of total CO ₂ equivalent reported above per £1 million of Group revenue	529	510

Donations

The Company made no political donations during the year (2015: £nil).

Donations by the Group for charitable purposes amounted to £48,310 (2015: £84,259). The majority of these were made to local communities within the Group's operating environments.

Employee consultation

The Group takes seriously its responsibilities to employees and, as a policy, provides employees systematically with information on matters of concern to them. It is also the policy of the Group to consult where appropriate, on an annual basis, with employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

Employment of disabled persons

The policy of the Group is to offer the same opportunity to disabled people, and those who become disabled, as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out the duties required of them in accordance with the requirements of the Equality Act 2010.

Health and Safety

ISO18001 accreditation is the global standard that we are working towards and our two largest engineering companies employing 610 people have attained accreditation.

Community issues

During the year the Company has continued to communicate to all employees our culture of responsibility and support for local communities where possible.

Supply chain ethics

During the year letters have been sent to major suppliers in line with the United Nations Global Compact voluntary initiative. The letters invite our major suppliers to adopt, implement and evidence adequate compliance policies.

Gender Diversity

The Group is committed to ensuring that everyone should have the same opportunities for employment and promotion based on ability, qualifications and suitability for the work in question. The following tables set out the breakdown of our average number of employees and Board members by gender:

Year ended 30th April, 2016	Male	%	Female	%	Total
Main Board and Company Secretary	8	80%	2	20%	10
Senior Management	83	91%	8	9%	91
Employees	909	85%	162	15%	1,071
Total	1000	85%	172	15%	1,172

CORPORATE SOCIAL RESPONSIBILITY *(continued)*

Gender Diversity *(continued)*

Year ended 30th April, 2015	Male	%	Female	%	Total
Main Board and Company Secretary	8	80%	2	20%	10
Senior Management	120	95%	6	5%	126
Employees	837	84%	164	16%	1,001
Total	965	85%	172	15%	1,137

FORWARD-LOOKING STATEMENTS

The Group Strategic Report contains forward-looking type statements and information based on current expectations, and assumptions and forecasts made by the Group. These expectations and assumptions are subject to various known and unknown risks, uncertainties and other factors, which could lead to substantial differences between the actual future results, financial performance and the estimates and historical results given in this report. Many of these factors are outside the Group's control. The Group accepts no liability to publicly revise or update these forward-looking statements or adjust them for future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

The Group Strategic Report was approved by the Board on 28th July, 2016, and is signed on its behalf by:

J. W. Goodwin
Director

R. S. Goodwin
Director

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their reports and audited financial statements for the year ended 30th April, 2016.

The Directors have presented their Group Strategic Report on pages 3 to 8. The Group Strategic Report is intended to be an analysis of the development and performance of Goodwin PLC, and contains a description of the principal risks and uncertainties facing the Group and an indication of likely future developments. The Chairman's Statement is part of the Group Strategic Report of the Directors for the year, and provides the financial review, including some of the key performance indicators, and future trends of the business. Also included in the Group Strategic Report for the year are the Group's Objectives, Strategy and Business Model on page 5, the Principal Risks and Uncertainties on page 6, and the Corporate Social Responsibility Report on page 7. The Group Strategic Report includes details of R&D in the Chairman's Statement.

The Board considers that the Chairman's Statement, the Group Strategic Report, the Directors' Reports, and the financial statements, taken as a whole, are fair, balanced and understandable and that they provide the information considered appropriate for shareholders to assess the Group's position and performance during the financial year and at the year end, and to assess the business model and strategy.

Proposed ordinary dividends

The Directors recommend that an ordinary dividend of 42.348p per share (*2015: 42.348p*) be paid to shareholders on the register at the close of business on 9th September, 2016. If approved by shareholders, the ordinary dividend will be paid to shareholders on 7th October, 2016.

Directors

The Directors of the Company who have served during the year are set out below.

J. W. Goodwin
 R. S. Goodwin
 J. Connolly
 M. S. Goodwin
 S. R. Goodwin
 S. C. Birks
 B. R. E. Goodwin
 T. J. W. Goodwin
 A. J. Baylay (retired 1st June, 2015)
 J. E. Kelly (*Non-Executive Director*)

The Directors retiring in accordance with the Articles are Mr. J. Connolly, Mr. S. C. Birks and Mr. B. R. E. Goodwin who, being eligible, offer themselves for re-election.

No Director has a service agreement with the Company, nor any beneficial interest in the share capital of any subsidiary undertaking.

The Company does not currently have any share option schemes for employees or directors. A resolution in respect of a long-term incentive plan for Directors will be proposed and voted upon at the forthcoming Annual General Meeting.

Shareholdings

The Company has been notified that as at 27th July, 2016, the following had an interest in 3% or more of the issued share capital of the Company:

J. W. and R. S. Goodwin 2,096,251 shares (29.11%), J. W. and R. S. Goodwin 1,304,034 shares (18.11%). These shares are registered in the names of J. M. Securities Limited and J. M. Securities (No. 3) Limited respectively. J. H. Ridley 500,753 shares (6.95%), Rulegale Nominees (JAMSCLT) 288,582 shares (4.01%).

Share capital

The Company's issued share capital comprises a single class of share capital which is divided into ordinary shares of 10p each. Information concerning the issued share capital in the Company is set out in note 19 to the financial statements on page 47.

All of the Company's shares are ranked equally and the rights and obligations attaching to the Company's shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in England and Wales or by writing to the Company Secretary.

There are no restrictions on the voting rights of shares and there are no restrictions in their transfer other than:

- certain restrictions as may from time to time be imposed by laws and regulations (for example insider trading laws); and
- pursuant to the Market Abuse Regulation whereby Directors of the Company require approval to deal in the Company's shares.

REPORT OF THE DIRECTORS *(continued)*

Additionally, the Company is not aware of any agreements between shareholders of the Company that may result in restrictions on the transfer of ordinary shares or voting rights.

The Directors have not been given the authority to issue or buy back the shares of the Company.

Research and development

The Group invests significantly in research and development. The more material investments during the year included £594,000 expenditure on a new range of check valves and £408,000 on radar development, both of which have been capitalised within intangible assets.

Change in control

The Group's committed loan facilities include a change of control clause, which states that a change of control of the parent Company will be classed as an event of default and would enable the providers at their discretion to withdraw the facilities.

Shareholder relations

All shareholders are encouraged to participate in the Company's Annual General Meeting. No shareholder meeting has been called to discuss any business other than ordinary business at the Annual General Meeting.

The Board complies with the recommendations of the UK Corporate Governance Code that the notice of the Annual General Meeting and related papers should be sent to shareholders at least twenty working days before the meeting.

The Directors attend the Annual General Meeting. The Chairman and other members of the Board will be available to answer questions at the forthcoming Annual General Meeting. In addition, proxy votes will be counted and the results announced after any vote on a show of hands.

The Chairman ensures that the views of shareholders are communicated to the Board as a whole, ensuring that Directors develop an understanding of the views of shareholders. Any individual requests for information from shareholders are dealt with by the Chairman, and where any such requests are subject to restraint in that any disclosure would give rise to share price sensitive information, then the requests would be declined, or referred to the Board for release to all shareholders through the Stock Exchange.

Going concern

With the current level of order input, the opportunity for continued profitability remains for the next twelve months. With a year end gearing level of 26.1% and significant headroom between bank facilities available and utilisation, the Directors after having reviewed the situation believe there is a reasonable expectation that the Group has adequate resources to continue in operational existence for twelve months from the date of approval of these financial statements and have continued to adopt the going concern basis in preparing the financial statements.

Viability Statement

The Directors have considered the viability of the Group over an extended period of 3 years. The degree of difficulty in forecasting increases with time periods of more than one year, but the Directors again having reviewed the situation have a reasonable expectation that the Group has adequate resources to continue over this period. The assessment factored in the future projected profitability of the Group which when subjected to sensible stress testing (for example a delayed recovery within the oil and gas markets) still resulted in a profitable outlook. The Group's gearing levels remain relatively modest and, as disclosed within note 20, our unutilised bank facilities are significant. The 3 year viability review assumes we will be able to refinance our existing bank facilities as they come up for renewal but we feel this assumption is reasonable given the financial position of the Group.

Auditors

In accordance with Section 489 of the Companies Act 2006 and the recommendation of the Board of Directors, a resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG LLP as auditor of the Company.

Approved by the Board of Directors and signed on its behalf by:

J. W. Goodwin
Chairman

28th July, 2016

CORPORATE GOVERNANCE REPORT

Introduction

The Board comprises eight Directors and an independent Non-Executive Director; the Audit Committee comprises the Non-Executive Audit Committee Chairman, two Board Directors and the Company Secretary. The Board and the Audit Committee fulfil the roles required for effective corporate governance and the Board considers that it has the right governance to execute its strategy to achieve its objectives.

The Board has always felt that it should be recognised that what may be appropriate for the larger company may not necessarily be so for the smaller company, a point raised previously in the Cadbury Code of Best Practice. Whilst conscious of its non-compliance with certain aspects of the revised Code as detailed below, it does not believe that at this stage in the Group's development and circumstances it is appropriate to change its own operational or governance structure with the sole objective of achieving compliance with the revised Code given that the Board's current corporate governance strategy has been accepted by a large majority of its shareholders.

Historically and in view of the Group's present size and proven track record, non-executive directors are not generally thought to be appropriate, due to the time and cost likely to be involved and the lack of opportunity for adding significant value to the business. Part of the Board's policy for corporate governance, where considered appropriate, is to engage independent bodies comprising external consultants for independent expert opinion on various matters. As mentioned in last year's Report, in order to augment the Company's corporate governance compliance, J. E. Kelly was appointed as a Non-Executive Director and Chairman of Audit Committee. As before, where it does not comply, the Board is happy to provide its explanations for not doing so on the basis that it believes that such non-compliance is more appropriate to the shareholders' and the Group's long-term interests.

Compliance statement under the UK Corporate Governance Code revised September, 2014

The Company is required to report on compliance throughout the year. In relation to all of the provisions except those mentioned below, the Company complied throughout the period.

The Group does not comply with aspects of the Code's requirements under paragraphs A4, B1, and C3 in terms of having a senior independent Director. Since 14th April, 2015, a Non-Executive Director with the role of Chairman of the Audit Committee has been appointed. The Group does not have a Remuneration Committee or a Nominations Committee as required under paragraphs B2 and D2.

The roles of the Chairman in running the Board and the Managing Director in running the Group's businesses are well understood. It is not considered necessary to have written job descriptions. This is contrary to paragraph A2.1. The Chairman and Managing Director do not retire by rotation, which is contrary to paragraph B7 of the Code.

There is no formal schedule of matters reserved for the Board, which is contrary to paragraph A1.1.

The Board

During the year, the Board met formally fourteen times, and details of attendees at these meetings are set out below:

J. W. Goodwin (Chairman)	...	...	...	13 out of 14 attended
R. S. Goodwin (Managing Director)	...	...	...	14 out of 14 attended
J. Connolly	...	...	...	14 out of 14 attended
M. S. Goodwin	...	...	...	13 out of 14 attended
S. R. Goodwin	...	...	...	12 out of 14 attended
S. C. Birks	...	...	...	12 out of 14 attended
B. R. E. Goodwin	...	...	...	13 out of 14 attended
T. J. W. Goodwin	...	...	...	11 out of 14 attended
J. E. Kelly	...	...	...	11 out of 14 attended
A. J. Baylay	...	...	...	3 out of 3 attended (Retired 1st June, 2015)

The Chairman and Managing Director do not retire by rotation. With this exception, all Directors retire at the first Annual General Meeting after their initial appointment and then by rotation at least every three years.

The Board retains full responsibility for the direction and control of the Group and, whilst there is no formal schedule of matters reserved for the Board, all acquisitions and disposals of assets, investments and material capital-related projects are, as a matter of course, specifically reserved for Board decision.

The Board meets regularly with an agenda to discuss corporate strategy; to formulate and monitor the progress of business plans for all subsidiaries and to identify, evaluate and manage the business risks faced. The management philosophy of the Group is to operate its subsidiaries on an autonomous basis, subject to overall supervision and evaluation by the Board, with formally defined areas of responsibility and delegation of authority. The Group has formal lines of reporting in place with subsidiary management meeting with the Board on a regular basis. Regular informal meetings are also held to enable all members of the Board to discuss relevant issues with local management and staff at the business units.

The Audit Committee

The Audit Committee is made up of the following: J. E. Kelly (Chairman), J. W. Goodwin, R. S. Goodwin and P. Ashley as Company Secretary and the Audit Committee reports to the Board. The Audit Committee has met formally eight times since the issue of the Annual Report for the year ended 30th April, 2015, with all members attending each meeting. The responsibility of the Audit Committee is explained in the Audit Committee Report on pages 13 to 15. The Audit Committee takes into account the Company's corporate Mission Statement, objectives and strategy, and reviews investor correspondence and comments, regulatory changes, current issues and market trends. The Audit Committee uses expert opinion where considered appropriate.

CORPORATE GOVERNANCE REPORT *(continued)*

Board evaluation

The Managing Director and Chairman address the development and training needs of the Board as a whole. An evaluation of the effectiveness and performance of the Board and the Directors of subsidiaries has been carried out by the Managing Director and Chairman, by way of personal discussions and individual performance evaluation.

All Directors have reasonable access to the Company Secretary and to independent professional advice at the Company's expense.

External audit

The external auditor is appointed annually at the Annual General Meeting. The Board, following review and recommendations received from the Audit Committee, considers the re-appointment of the auditor, and assesses on an annual basis the qualification, expertise, cost, independence and objectivity of the external auditor. In addition, the Audit Committee monitors the level of non-audit services provided to the Group by the external auditor to ensure that their independence is not compromised.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Corporate Governance Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken reasonable steps to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Internal Control and Risk Management

The Board has overall responsibility for the Group's systems of internal controls and risk management which are designed to manage rather than eliminate risk and provide reasonable reassurance against material misstatement or loss.

The Board has primary responsibility for controlling: operational risks; financial risks including funding and capital spend; compliance risks; and political risks. The Audit Committee has been delegated responsibility for corporate reporting, financial risk management and to regularly review the effectiveness of the Group's internal controls together with consideration of any reports from the external auditor. The Audit Committee Report is on pages 13 to 15. Except as noted within this Corporate Governance Report, the Board confirms that the internal control systems comply with the UK Corporate Governance Code.

The Group's main systems of internal controls includes regular visits and discussions between Board Directors and subsidiary management, and the Group internal auditor, on all aspects of the business including financial reporting, risk reporting, and compliance reporting. In addition, there is Board representation with Goodwin PLC Directors on the boards of the subsidiaries. Any concerns are reported to the members of the Audit Committee and to the Board. The Group maintains a risk register, has business continuity programmes, and has insurance programmes that are all regularly reviewed. These procedures have been in place throughout the year and up to the date of this report and accord with the FRC publication 'Internal Control: Guidance for Directors on the UK Corporate Governance Code'. The Board considers that the close involvement of Board Directors in all areas of the day to day operations of the Group's business, including considering reports from management and discussions with senior personnel throughout the Group, represents the most effective control over its financial and business risks system, by providing an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. In particular, authority is limited to Board Directors in key risk areas such as treasury management, capital expenditure and other investment decisions.

The close involvement of Board Directors in the day to day operations of the business ensures that the Board has the financial and non-financial controls under constant review, and so it is not currently considered that formal Board reviews of these controls would provide any additional benefit in terms of the effectiveness of the Group's internal control systems.

The Board recognises the importance of an effective internal audit function to assist with the management and review of internal controls and business risk. We reported last year that a new Group internal auditor had been appointed and good progress has been made this year in reviewing internal controls, procedures and accounting systems. The Board Directors and senior management will continue to have close involvement on a day to day operational basis and the scope and results of internal audit work to be performed will be kept under review in the coming year.

The Board considers that certain functions are best carried out by independent external bodies with specific expertise, who then report to the Board directly or through the Audit Committee. To maintain the Group's commitment to maintaining strong corporate governance during the year the Group has continued to use an international firm of accountants so that certain key business risk areas are reviewed by those skilled in business continuity and due process. Also during the year, the Board has commissioned external reviews of the Group's data protection, market abuse regulations, communication flow down, evidence based competency and training, know your customer compliance and mobile device security using independent experts.

The Board confirms that it has not been advised of any material failures or weaknesses in the Group's internal control systems.

Approved by the Board of Directors and signed on its behalf by:

J. W. Goodwin
Chairman

28th July, 2016

AUDIT COMMITTEE REPORT

The key role of the Audit Committee is to provide confidence in the integrity of the Group's financial risk management, internal financial controls and corporate reporting. The Audit Committee, as empowered by the Group's Board of Directors, has responsibility for:

1. Ensuring the integrity of the Group's full year Annual Report, half year Interim Report and quarterly Interim Management Statements; that they provide the information necessary for shareholders to assess the Group's performance; and recommending them to the Board for approval.
2. Ensuring the Group carries effective and relevant financial and non-financial internal controls and risk management systems.
3. Making recommendations to the Group's Board of Directors on the appointment and remuneration of the Group's external auditor; ensuring independence of the auditor; the effectiveness of the audit process; and that the Group receives value for money from the audit.
4. Reviewing any significant comments brought to its attention by Directors or other employees of the Group.
5. Reviewing the Group's "whistle-blowing" procedures.
6. Reviewing the scope of work for the internal audit function.

The Audit Committee discharges each of its above responsibilities as follows:

1. Ensuring the integrity of the Group's Annual Report, half year Interim Report and quarterly Interim Management Statements

The Chairman of the Audit Committee is an independent Non-Executive Director. The other members are involved in the day to day running of the Group, including regular meetings held between members of the Audit Committee, other Directors, General Managers and Senior Management of the UK subsidiaries. Each overseas subsidiary is typically visited during the year by a member of the Audit Committee, or by a Main Board Director, for meetings with the General Managers and Senior Management with reports sent back to the Audit Committee. On a formal basis, members of the Audit Committee are involved in quarterly discussions with the General Managers and Senior Management of each subsidiary where the positions taken on subjective financial matters are discussed. Any areas where the Audit Committee feels that the positions taken within any particular subsidiary are either inappropriate or merit further discussion are documented for further discussion by the Board of Directors.

The Audit Committee reviews the quarterly Interim Management Statements and advises the Board of Directors that they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's quarterly performance.

For the half year Interim Report, the Audit Committee reviews the financial and non-financial content, including the Chairman's Statement, and reviews the financial statements and qualitative notes of the financial statements, to ensure that they are balanced, relevant, compliant with relevant accounting standards / legislation, and are consistent and complete. The Audit Committee advises the Board of Directors whether the half year Interim Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's half year performance. The figures in the half year Interim Report are not audited, but the external auditors are given sight of these before publication.

For the full year Annual Report, the Audit Committee reviews the financial and non-financial content of the Group Strategic Report, including the Chairman's Statement; the Corporate Governance Report; the Directors' Report; the Directors' Remuneration Policy and Report; and reviews the financial statements and the qualitative notes to the financial statements to ensure that the content is balanced, relevant, compliant with relevant accounting standards / legislation, and is consistent and complete. The Audit Committee has discussed the full year Annual Report with the Group External Auditor. The Audit Committee confirmed to the Board that in its opinion the proposed Annual Report for the year ended 30th April, 2016, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's full year performance, its position at the year end, and its business model and strategy.

2. Ensuring the Group carries effective and relevant internal controls and financial risk management systems

To assess the effectiveness of systems for internal financial controls, financial reporting and financial risk management, the Audit Committee reviews reports from Main Board Directors on the Group's subsidiaries; reviews reports from General Managers of the Group's subsidiaries; reviews monthly financial reports; reviews reports from internal and external audit; reviews reports from independent external consultants; and reviews the Group's risk register, business continuity programmes, and levels of insurance.

AUDIT COMMITTEE REPORT *(continued)*

2016 Audit Committee Risk Programme

The risk register has been reviewed.

The scope and results of internal audit have been reviewed.

Last year's initiatives have been reviewed for progress:

- (a) Data Classification and Security (Software and trials successfully completed, implementation and training now in progress)
- (b) Succession Planning (Training programme and extended work experience through job sharing commenced)
- (c) Culture and Conduct (Evidence based compliance education being considered relative to Regulation (EU) 2015/847 of the European Parliament and of the Council of 20th May, 2015)
- (d) Levels of Authority
- (e) Mobile Device responsibility (Implementation of equipment to advise users of threats - now substantially complete)
- (f) Energy Efficiency (Planning permission refused for a wind turbine in Derbyshire Dales after 3 years of hard work. An appeal is being considered.)

New requirements and regulations are being addressed and external expert advice has been sought on:-

- Market Abuse Regulations (Charles Russell Speechlys LLP)
- EU Regulation on Data Protection (Data Protection Consulting Limited)
- Trade Based Financial Crime Compliance (Institute of International Banking Law & Practice Inc)
- New Insurance Act effects and Solvency II (AON)
- Audit Tender Processes (ICSA; Ernst & Young LLP)
- Communication flow down, evidence based competency and training (RSM Risk Assurance Services LLP)
- Patent, trademark and licensing long-term protection for international trade (Pinsent Masons LLP)
- Review and analysis of contract creep caused by uncertainties affecting cash flow (BEXA / AON)

All of the above have been judged to merit attention in the coming year and, with the exception of Derbyshire planners not understanding the importance of CO₂ emissions and the 2015 Paris Climate Conference (COP21), none are posing current concerns.

The Audit Committee has confirmed its view to the Board that, in its opinion, the Group carries relevant internal controls and risk management systems appropriate to minimise the perceived risks of the Group's business.

3. The Group's external auditor

KPMG LLP have been the Group's auditor for more than 20 years and whilst during this time no formal competitive tender process has taken place, the Directors (historically) and the Audit Committee latterly consider that the cost of the audit is competitive when compared against listed companies of a similar size. In line with the recent changes in legislation with regards to auditor appointments, the Company intends to seek competitive tenders for its audit services within the next 4 years.

KPMG LLP have during the year provided non-audit services to the Group. The cost of these non-audit services is less than the annual Group audit fee itself. Given the quantum of non-audit fees involved and that the Group's total fees paid to KPMG LLP are very small compared to their total annual fee generation, we believe that there has been no issue as regards the objectivity and independence resulting from these non-audit services. The Company has for many years now used a different accountancy practice to that of the statutory auditor for its UK tax services which further enhances both objectivity and independence.

The Audit Committee has met formally with the Group's external auditor, KPMG LLP, to discuss the full year Annual Report, and has met with and discussed matters with them as part of the audit process during the current financial year being reported on. No material concerns were raised during these meetings or discussions. The Audit Committee was satisfied with the external auditor's performance, independence, the effectiveness of the audit process, and the level of audit remuneration, and has recommended to the Board to propose the re-appointment of KPMG LLP as the external auditor at the Annual General Meeting on 5th October, 2016.

4. Reviewing significant comments

There is regular contact with Directors and employees and open and honest discussion is encouraged.

AUDIT COMMITTEE REPORT *(continued)*

5. Whistle-blowing Procedures

The Group has a whistle-blowing policy in place whereby employees can report any suspected misconduct or concerns, either anonymously on a dedicated telephone line, or to the Chairman, the Company Secretary or the external auditors. Such calls are investigated and are reported to the Audit Committee. The Audit Committee has confirmed to the Board that the Group's whistle-blowing policy and procedures are appropriate.

6. Internal Audit

Our Group Internal Auditor continues to review the adequacy of the Group's internal controls and procedures. In addition, support has been provided to improve the accounting systems of the Group's overseas refractory companies.

7. Significant judgements relating to the Financial Statements

The Audit Committee reviewed what it considered to be the significant judgement areas within the Group annual accounts for the year ended 30th April, 2016. The Audit Committee also took account of the findings of KPMG LLP in relation to their external audit work for the year.

In particular, the Audit Committee considered the following principal risk areas:

Revenue Recognition – whether sales recorded in the year were generally in compliance with the IAS 18 revenue recognition standard.

The adequacy of the Group's provisions in relation to its sales contracts (both warranties and net realisable value issues with regard to the year end work in progress).

In addition, the Audit Committee also considered other areas including the adequacy of the Group's debtor impairment reserves and the adequacy of the Group's provision against damaged, slow moving and obsolete stocks.

Following the review and having held discussions with management where appropriate as well as KPMG LLP themselves, the Audit Committee was of the opinion that the significant judgements contained within these financial statements were both justified and appropriate.

J. E. Kelly
Chairman of the Audit Committee

28th July, 2016

DIRECTORS' REMUNERATION POLICY AND REPORT

This report includes the Group's Remuneration Policy for Directors, and sets out the Annual Directors' Remuneration Report.

Group's Remuneration Policy for Directors

The Group's policy in respect of Directors' remuneration is to provide individual packages which are determined having due regard to the Group's current and projected profitability, the employee's specific areas of responsibility and performance, their related knowledge and experience in the Group's specific fields of operation, the external labour market and their personal circumstances whereby a package to remunerate and motivate the individual so as to best serve the Group is set. Individual salaries are also indirectly linked up and down to the time allocated and perceived effort by the Director to the Group's business. Many Directors, as indeed employees, put in hours of work way beyond what could be requested and such personal devotion to duty by a Director is rewarded without formulae. All Board members have access to independent advice when considered appropriate. In forming its policy, consideration has been given to the UK Corporate Governance Code best practice provisions on remuneration policy, service contracts and compensation and has considered the remuneration levels of Directors of comparative companies.

At the Annual General Meeting on 5th October, 2016, we will be seeking shareholders' approval for the Equity Long Term Incentive Plan ("LTIP"), a performance related incentive plan for Directors of the Company providing incentives to the Directors to deliver future value to shareholders and subject to stretching targets. The LTIP is described more fully in the Notice of the Annual General Meeting and the summary sheet enclosed with the Directors' Report. Shareholders are also being asked to approve a revised Directors' Remuneration Policy incorporating the new LTIP.

The performance target will require the Directors to continue to grow the Total Shareholder Return ("TSR") of the Company over and above the 166.09% growth achieved between 2009 and 2016 with the maximum vesting under the LTIP only achievable if TSR growth equals at least 366.09% over the ten years between 2009 and the end of the performance period in 2019.

Other than the LTIP for Directors, the remuneration policy for other employees is broadly based on principles consistent with the policy for Directors. Salary reviews take into account Group performance as well as subsidiary performance, local pay and market conditions.

Whilst being aware of the requirements to show in graph form the breakdown of base pay, bonus pay, pension and long-term benefits, the Group is unable to comply with this requirement as Directors are not paid in accordance with any specific performance criteria or KPIs. Directors are paid based on their level of activity within the Group, their knowledge and experience of the Group's activities or similar, the performance of the Group versus market opportunity whilst also considering the Director's personal circumstances and the salary needed to ensure continuity of employment. This in itself may result in decreases or increases in Director salary within any year as illustrated in the matrix below.

Element of Pay	Purpose and Link to Strategy	Operation	Maximum	Performance Targets	Changes for 2015/2016
Salary	Reflects the Directors' level of activity within the Group, their knowledge and experience of the Company's activities or similar, the performance of the Group versus market opportunity, whilst also considering the salary needed to ensure continuity of employment.	Reviewed annually at the anniversary of the previous salary adjustment for the individual Director.	Generally in line with inflation and the wage/salary increase awarded to employees, but this is not rigid.	The Group's performance, good or bad, may result in the salary being flexed.	The Managing Director sets the base increase in salaries. For the period May, 2015 to April, 2016, the increase was generally 0% and in some cases reduced.
Bonus	No bonus strategy or incentive is agreed or contractual with any Director. Should any be awarded, it is discretionary and generally between 0% and 25%, but with a maximum of 60%, as determined by the Managing Director and audited by the Chairman.	Following review of the half year and year end results of the Company.	60% of salary	N/A	No exceptional bonuses were paid this year.

DIRECTORS' REMUNERATION POLICY AND REPORT *(continued)*

Group's Remuneration Policy for Directors *(continued)*

Element of Pay	Purpose and Link to Strategy	Operation	Maximum	Performance Targets	Changes for 2015/2016
Equity Long Term Incentive Plan	Reflects the Directors' contribution to achieving growth in shareholder value.	Awards will be granted in the form of options with an exercise price equal to the nominal value of a share. Options will vest and become exercisable following 30th April, 2019 and subject to performance measured at that time.	Awards will entitle each holder to earn up to 1% of the share capital of the Company subject to the performance condition.	An Award will vest and become exercisable over 0.05% of the share capital of the Company for every 10% increase in the TSR of the Company at the end of the three financial years ending on 30th April, 2019 with a base year of 2009 but excluding the growth already achieved up to 30th April, 2016.	N/A
Pensions	All Directors have 3% added to their gross remuneration which, by nature of salary sacrifice, is put into a pension scheme where they have direct dealings with the selected investment fund provider.	Monthly payments	Currently 3% of gross remuneration	N/A	This policy was adopted in October 2013 for the Directors and entire UK workforce.
Other benefits	Fully expensed car or cash alternative, health insurance or other services.	N/A	N/A	N/A	See details of the Directors' emoluments on Page 21.

As will be seen below, the long-term ongoing ("TSR") is more than acceptable, whether it be over five years, ten years or twenty years, but this has been achieved by the Directors and the Company taking long-term policy decisions that at the time did not necessarily produce what a short-term trader would have wanted in terms of annual profit and dividend. It is for this reason that Goodwin PLC has no desire to put excessive annual bonuses as a prime motivator to its Directors as this so often leads to undiscerning decisions being made that detrimentally affect the long-term wealth of a company. Directors' remuneration is designed to promote the long-term success of the Company.

In any company there are specific individual circumstances that on occasions will merit special treatment in a given year for a director either to keep or look after the person, indeed no different than we may do for an employee. In the matrix of remuneration for Directors you will note the Company has given itself flexibility to deal with specific circumstances which may not even be able to be made public for confidentiality reasons of which there are many. However, bearing in mind the performance of the Company over the past 20 years and more and that the Director salaries are anything but excessive versus the norm of other PLCs, this is the Board's policy.

The Company has found over the years that this method of managing remuneration, which is principally monitored by the Managing Director and audited by the Chairman, has produced a team of cohesive Directors who have achieved results that surpass the average PLC performance, be it of the FTSE 100 or the FTSE 350, by a large margin. The unacceptable results over the past seven years of many supposedly Blue Chip companies run with independent boards with very much incentivised executive directors is something that the Board of Goodwin PLC has no intention of emulating and, as such, whilst Goodwin PLC will try to adopt the Listing Rules in form of presentation, there will be significant areas of omission in the disclosure of remuneration details for the reasons stated above.

For reference the TSR of Goodwin PLC versus the FTSE 100 and the FTSE 350 is shown below for not only the last five but also the last ten years and the last twenty years.

	Goodwin	FTSE 100	FTSE 350
TSR for last 5 Years	65%	34%	40%
TSR for last 10 Years	328%	79%	90%
TSR for last 20 Years	14,099%	713%	800%

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Group's Remuneration Policy for Directors *(continued)*

As is required by the Listing Rules, we show in graph form both the salary of the Managing Director of Goodwin PLC and the TSR over the past ten years. We, however, do not list out the salary of the Financial Director of Goodwin PLC versus the TSR as in Goodwin PLC we have a Group Chief Accountant (J. Connolly) who carries out 75% of the duties of a Financial Director and who is also a Director of Goodwin PLC, but we do not have what would generally be known as a Financial Director. This is for the reason that certain decisions that outsiders might consider are the sole responsibility of the Financial Director are not. In Goodwin PLC it is a team effort and such decisions are made not only by the Group Chief Accountant but also by the Managing Director and the Chairman.

The Company put the Remuneration Policy to the vote of the Annual General Meeting in 2013 and 2014, when it was passed by 95.88% and 96.907% respectively of those who voted. Due to the proposed LTIP the Company will be putting the revised Policy to the vote again at this year's Annual General Meeting and thereafter every three years, as is required by the Listing Rules.

For confidentiality and flexibility reasons, the Board policy is not to disclose exit/termination payments to Directors but the policy is to remain within the law, to fairly compensate good leavers and minimise payments to bad leavers. In the last ten years, the Company has managed to avoid paying any termination payments to bad leavers. It is, however, Board policy to limit termination payments to a maximum of 100% of gross annual salary and should such amount be exceeded then it will be reported in the annual accounts giving the reason why.

The revision to the remuneration policy outlines the terms of the proposed new LTIP under which awards will be made to Directors on a one-off basis (subject to shareholder approval of the plan and shortly following the 2016 Annual General Meeting). The purpose of the LTIP and the TSR performance condition is to incentivise Directors to grow the Company in the long-term and deliver value to our shareholders. The use of a single performance measure provides simplicity and focus. Awards will lapse if a Director ceases to hold office or provide services to the Group, unless the Director ceases due to death or ill health or such other appropriate good leaver circumstance permitted by the Board at its discretion.

The Company takes seriously its responsibility for ensuring a fair deal between employees, shareholders, customers and the local community and maintaining an appropriate balance.

The Company does not use or pay any external advisors or consultants for remuneration or incentive policy. Shareholder engagement is by nature of the Annual Report and Accounts, the Annual General Meeting and the votes therein.

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report

This report is submitted in accordance with the Directors' Remuneration Report Regulations.

Consideration by the Directors of matters relating to Directors' remuneration

The Company's Remuneration Policy for Directors is set by the Board as a whole and is described in pages 16 to 18. The Policy has been followed in the financial year to 30th April, 2016, and will be followed in the next financial year.

The Board of Directors are also the key management personnel as defined in IAS 24.

Service contracts

None of the Directors has a service contract, a Director may resign at any time by notice in writing to the Board. There are no set minimum notice periods but all Directors other than the Chairman and Managing Director are subject to retirement by rotation and as employees also have notice periods in accordance with law. No compensation as of right is payable to Directors on leaving office.

Relative importance of spend on pay

The table below shows shareholder distributions and total employee expenditure, and the percentage change in both:

	2016 £'000	2015 £'000	%
Ordinary dividends proposed in respect of the year	3,049	3,049	0.0%
Total employee costs	37,878	38,042	-0.4%
Average employee numbers	1,172	1,137	3.1%

Approval of the Company's Remuneration Policy for Directors and the Annual Directors' Remuneration Report

As noted on Page 18, an ordinary resolution for the approval of the revised Directors' Remuneration Policy will be put to shareholders at the forthcoming Annual General Meeting.

An ordinary resolution for the approval of the Annual Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting. The Annual Directors' Remuneration Report presented in the accounts to 30th April, 2015 was put to the shareholders at last year's Annual General Meeting on 7th October, 2015. The Annual Directors' Remuneration Report was accepted with 99.9997% of proxy votes cast in favour.

Total shareholder return

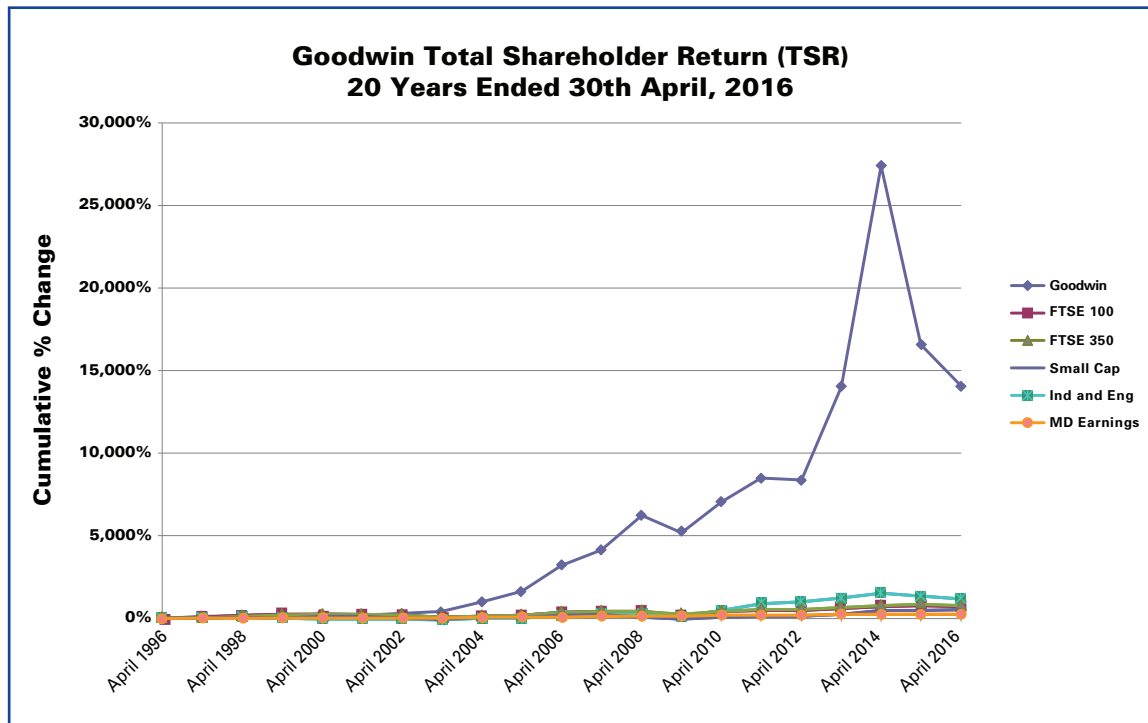
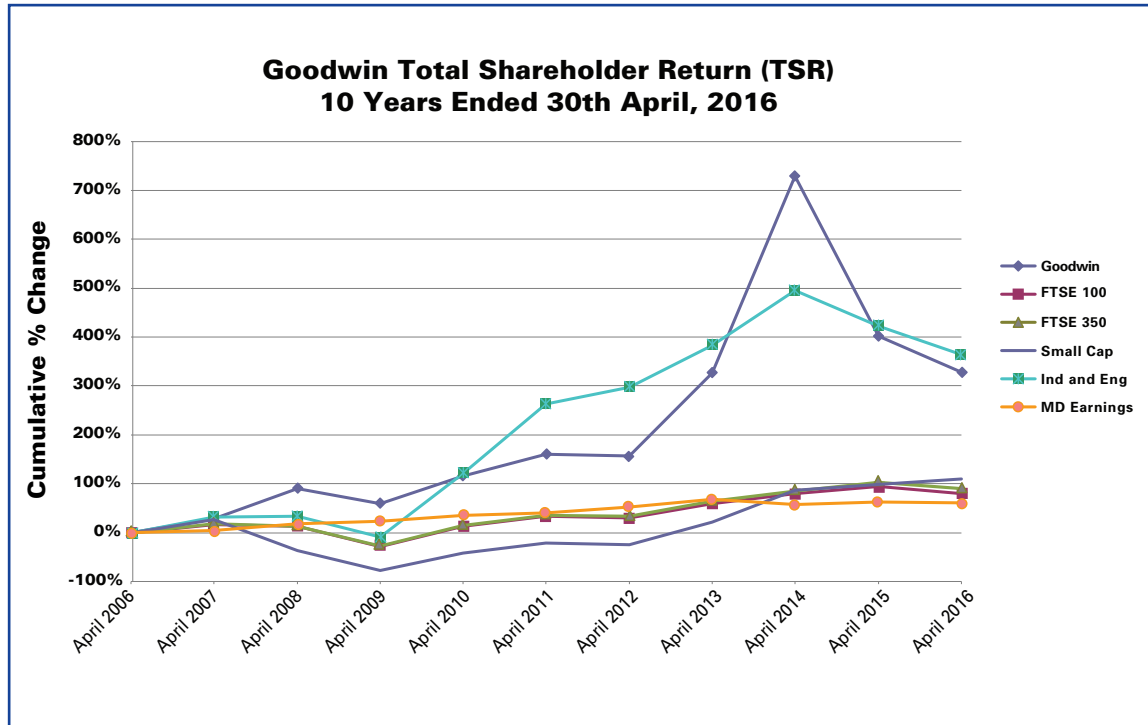
The following graphs compare the Group's total shareholder return over the ten and twenty years ended 30th April, 2016 with various FTSE indices. The graphs also show the changes in the earnings of the Managing Director for these periods.

The base earnings of the Managing Director during the year has decreased by 1.3% from the previous year. The total earnings of the Managing Director for the last five years are:

2012 £'000	2013 £'000	2014 £'000	2015 £'000	2016 £'000
349	385	360	374	369

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*



The increase in the Goodwin PLC share price since 1996 plus dividends re-invested would mean that £1.00 invested in 1996 by the 30th April, 2016, would be worth £140.99. The increase in the share price since 2006 plus dividends re-invested would mean that £1.00 invested in 2006 would at 30th April, 2016, be worth £3.28.

DIRECTORS REMUNERATION POLICY AND REPORT (continued)

Annual Directors' Remuneration Report (continued)

The auditors are required to report on the following information contained in this section of the Annual Directors' Remuneration Report.

Directors' interests in the share capital of the Company

The interests of the Directors in the share capital of the Company at the beginning and end of the financial year were as follows:

						Number of 10p ordinary shares	
						30th April 2016	30th April 2015
<i>Beneficial</i>							
J. W. Goodwin	...	...	...	...	...	35,252	58,899
R. S. Goodwin	...	...	...	...	...	6,115	24,915
J. W. Goodwin and R.S. Goodwin	...	...	...	...	...	2,096,251	2,058,631
J. W. Goodwin and R.S. Goodwin	...	...	...	...	...	1,304,034	1,285,092
J. Connolly	...	...	...	...	...	722	722
M. S. Goodwin	...	...	...	...	...	75,668	80,373
S. R. Goodwin	...	...	...	...	...	95,433	100,138
S. C. Birks	...	...	...	...	...	200	-
B. R. E. Goodwin	...	...	...	...	...	44,498	44,498
T. J. W. Goodwin	...	...	...	...	...	134,495	139,200
A. J. Baylay (retired 1st June, 2015)	...	...	...	...	...	1,200	1,200
<i>Non-beneficial</i>							
J. W. Goodwin and E.M. Goodwin	...	...	...	...	...	14,166	14,166

On 12th May, 2016, S. R. Goodwin purchased 1,874 shares. His total holding is 97,307 shares. There have been no other changes in the Directors' interests between 30th April, 2016, and 28th July, 2016.

Details of individual emoluments and compensation

The following parts of the Remuneration Report are subject to audit.

Single Total Figure Table						Salary	Benefits in kind	Non-Exec Director's fees	Pension contributions	Total	Total
						2016	2016	2016	2016	2016	2015
						£'000	£'000	£'000	£'000	£'000	£'000
J. W. Goodwin	...	...	...	...	...	308	50	-	11	369	374
R. S. Goodwin	...	...	...	...	...	308	50	-	11	369	374
J. Connolly	...	...	...	...	...	212	29	-	7	248	266
M. S. Goodwin	...	...	...	...	...	212	29	-	7	248	265
S. R. Goodwin	...	...	...	...	...	192	15	-	6	213	192
S. C. Birks	...	...	...	...	...	113	19	-	3	135	149
B. R. E. Goodwin	...	...	...	...	...	104	13	-	3	120	129
T. J. W. Goodwin (appointed 14th April, 2015)	...	...	...	...	...	100	3	-	3	106	4
J. E. Kelly (appointed 14th April, 2015)	...	...	...	...	...	-	-	48	-	48	4
A. J. Baylay (retired 1st June, 2015)	...	...	...	...	...	7	7	-	-	14	145
Total	...	...	...	...	...	1,556	215	48	51	1,870	1,902

Benefits in kind consist of the provision of a fully expensed car, a cash alternative scheme, healthcare insurance or other services.

A resolution for the approval of a long-term incentive plan for the Executive Directors is to be proposed at the Annual General Meeting on 5th October, 2016.

Total pension entitlements

In October 2013, the Group followed the Government's requirements to set up a pension scheme for all UK employees including Directors. Under this Auto Enrolment Pension arrangement each Director has an amount of 3% of gross remuneration paid into a pension scheme where they have direct dealings with the selected investment fund provider. The pension contributions are to money purchase pension schemes which are independent of the Company.

The Company has no obligations to make any payments in relation to pensions when a Director leaves service by nature of removal from office, resignation or retirement.

The Annual Directors' Remuneration Report was approved by the Board on 28th July, 2016, and is signed on its behalf by:

J. W. Goodwin
Director

R. S. Goodwin
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group and parent Company financial statements in accordance with IFRSs as adopted by the EU and applicable law and subject to shareholders' approval have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period.

In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Group Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statements of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the Group Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

J. W. Goodwin
Director

R. S. Goodwin
Director

28th July, 2016

INDEPENDENT AUDITOR'S REPORT

to the Members of GOODWIN PLC ONLY

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Goodwin PLC for the year ended 30th April, 2016, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Cash Flow Statement, the Company Statement of Changes in Equity and the related notes. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30th April, 2016, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows (unchanged from 2015):

Recognition of revenue £123.5 million (2015: £127.0 million)

Risk vs 2015: risk unchanged

Refer to page 15 (Directors' Reports), page 35 (accounting policy) and pages 36 to 38 (financial disclosures)

The risk – The commercial terms agreed with customers determine the point at which revenue is recognised. As these commercial terms can be complex and vary between businesses in the Group and there is a significant volume of transactions each with its own commercial terms, a detailed consideration is required by the Group in identifying the appropriate timing of revenue recognition on a transaction by transaction basis. The risk is that the Group's timing of revenue recognition does not reflect the timing of the transfer of risk and rewards of ownership for each transaction and that revenue is accordingly recognised in the wrong period.

Our response – Our audit procedures included, for a sample of significant revenue transactions selected based on magnitude of the revenues recognised, reviewing the commercial terms applied by the Group and making our own independent assessment of the appropriate point in time to recognise revenue, with reference to the relevant accounting standards. Those assessments were then compared to the actual accounting treatment applied by the Group. In doing so, focusing on the periods immediately prior to and after the year end, we obtained customer purchase orders, shipping documentation and sales invoices and identified the commercial terms agreed with the customer before comparing the actual timing of revenue recognition with our expectation.

Warranty provisions £330,000 (2015: £521,000)

Risk vs 2015: risk unchanged

Refer to page 15 (Directors' Reports), page 35 (accounting policy) and page 44 (financial disclosures)

The risk – Certain of the Group's products incorporate the right to return under a pre-agreed warranty policy with its customers. Determination as to whether to recognise a provision and the amount of the provision to be recognised requires the Group to make judgements and estimates that are inherently subjective, including the likelihood of claims arising, the number of parts affected and the cost of rectification of those parts.

Our response – Our audit procedures included discussions with the Group as to current and historical quality issues and known or expected warranty claims, corroboration of these discussions through inspection of credit notes and Board minutes and, where available, inspection of customer correspondence regarding known warranty issues. Where specific warranty provisions were recorded, we assessed the determination of the provision taking into account available supporting documentation such as customer correspondence and operational management cost estimates. We critically challenged the Group's judgements made in determining the Group's provisions including a comparison of these judgements to historical product return levels. We also considered the adequacy of the Group's disclosures.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £600,000 (2015: £1.6 million), determined with reference to a benchmark of Group profit before taxation, normalised by averaging over the last four years due to fluctuations in the business cycle, of £19.1 million (2015: Benchmark of Group profit before taxation of £20.1 million), of which materiality represents 3.1% (2015: 8.0%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £30,000 (2015: £80,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 32 (2015: 29) reporting components, we subjected 9 (2015: 12) to audits for Group reporting purposes.

INDEPENDENT AUDITOR'S REPORT
to the Members of
GOODWIN PLC ONLY *(continued)*

These audits accounted for 85.3% (2015: 86.4%) of total Group revenue; 90.6% (2015: 82.0%) of Group profit before taxation; and 75.2% (2015: 96.0%) of total Group assets.

The remaining 14.7% (2015: 13.6%) of total Group revenue, 9.4% (2015: 18.0%) of Group profit before tax and 24.8% (2015: 4.0%) of total Group assets is represented by 23 (2015: 17) reporting components, none of which individually represented more than 5% of any of total Group revenue, Group profit before tax or total Group assets. For these remaining components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £110,000 to £500,000 (2015: £5,000 to £1.0 million), having regard to the mix of size and risk profile of the Group across the components. The work on 1 of the 9 components (2015: 1 of the 12 components) was performed by component auditors and the rest by the Group team.

Telephone conference meetings were held with all of the component auditors. At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Group Strategic Report and Directors' Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the information given in the Corporate Governance Report set out on pages 11 to 12 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

5. We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' Statement of Viability on page 10, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation over the 3 years to April 2019; or
- the disclosures in the Group Accounting Policies on page 31 concerning the use of the going concern basis of accounting.

6. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- a Corporate Governance Report has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statements, set out on page 10, in relation to going concern and viability; and
- the part of the Corporate Governance Report on pages 11 to 12 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

INDEPENDENT AUDITOR'S REPORT
to the Members of
GOODWIN PLC ONLY *(continued)*

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement, set out on page 22, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Simon Purkess (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

28th July, 2016

One Snowhill, Snow Hill Queensway, Birmingham , B4 6GH

GOODWIN PLC

CONSOLIDATED INCOME STATEMENT for the year ended 30th April, 2016

	Notes	2016 £'000	2015 £'000
CONTINUING OPERATIONS			
Revenue	2	123,539	127,049
Cost of sales		(89,196)	(85,754)
GROSS PROFIT...		34,343	41,295
Distribution expenses		(3,311)	(3,586)
Administrative expenses		(18,284)	(17,262)
OPERATING PROFIT		12,748	20,447
Financial expenses	5	(775)	(682)
Share of profit of associate companies	11	341	288
PROFIT BEFORE TAXATION	2,3	12,314	20,053
Tax on profit	6	(3,376)	(4,601)
PROFIT AFTER TAXATION...		8,938	15,452
ATTRIBUTABLE TO:			
Equity holders of the parent	19	8,838	15,025
Non-controlling interests		100	427
PROFIT FOR THE YEAR		8,938	15,452
BASIC AND DILUTED EARNINGS PER ORDINARY SHARE	7	122.75p	208.68p

The notes on pages 31 to 57 form part of these financial statements.

GOODWIN PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30th April, 2016

	2016	2015
	£'000	£'000
PROFIT FOR THE YEAR	8,938	15,452
OTHER COMPREHENSIVE EXPENSE		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:		
Foreign exchange translation differences	279	(1,176)
Effective portion of changes in fair value of cash flow hedges	(728)	2,630
Change in fair value of cash flow hedges transferred to the income statement	(1,923)	(2,197)
Tax charge on items that may be reclassified subsequently to the income statement	516	(87)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF INCOME TAX	(1,856)	(830)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	7,082	14,622
ATTRIBUTABLE TO:		
Equity holders of the parent	7,018	14,024
Non-controlling interests	64	598
	7,082	14,622

GOODWIN PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30th April, 2016

	Share capital £'000	Trans- lation reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non- controlling interests £'000	Total equity £'000
YEAR ENDED 30th APRIL, 2016							
Balance at 1st May, 2015	720	(1,356)	1,541	81,836	82,741	3,781	86,522
Total comprehensive income:							
Profit	-	-	-	8,838	8,838	100	8,938
Other comprehensive income:							
Foreign exchange translation differences	-	315	-	-	315	(36)	279
Net movements on cash flow hedges	-	-	(2,135)	-	(2,135)	-	(2,135)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	315	(2,135)	8,838	7,018	64	7,082
Transactions with owners of the Company recognised directly in equity	-	-	-	-	-	174	174
Purchase of non-controlling interests without a change in control	-	-	-	(360)	(360)	-	(360)
Dividends paid	-	-	-	(3,105)	(3,105)	(196)	(3,301)
BALANCE AT 30th APRIL, 2016	720	(1,041)	(594)	87,209	86,294	3,823	90,117
YEAR ENDED 30th APRIL, 2015							
Balance at 1st May, 2014 ...	720	(9)	1,195	71,684	73,590	3,980	77,570
Total comprehensive income:							
Profit	-	-	-	15,025	15,025	427	15,452
Other comprehensive income:							
Foreign exchange translation differences	-	(1,347)	-	-	(1,347)	171	(1,176)
Net movements on cash flow hedges	-	-	346	-	346	-	346
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,347)	346	15,025	14,024	598	14,622
Purchase of non-controlling interest without a change in control	-	-	-	(1,824)	(1,824)	(709)	(2,533)
Dividends paid	-	-	-	(3,049)	(3,049)	(88)	(3,137)
BALANCE AT 30th APRIL, 2015	720	(1,356)	1,541	81,836	82,741	3,781	86,522

GOODWIN PLC

CONSOLIDATED BALANCE SHEET

at 30th April, 2016

	Notes	2016 £'000	2015 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	62,530	55,659
Investment in associates	11	1,640	1,477
Intangible assets... ..	10	17,565	10,865
		81,735	68,001
CURRENT ASSETS			
Inventories... ..	14	35,631	32,771
Trade and other receivables	15	33,792	26,364
Derivative financial assets	20	2,107	4,624
Cash and cash equivalents	16	4,970	7,732
		76,500	71,491
TOTAL ASSETS		158,235	139,492
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	8,531	277
Trade and other payables	18	32,608	26,938
Deferred consideration... ..	18	500	500
Derivative financial liabilities... ..	20	2,818	2,587
Liabilities for current tax		1,785	1,540
Warranty provision	12	151	224
		46,393	32,066
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	18,497	17,149
Warranty provision	12	179	297
Deferred tax liabilities	13	3,049	3,458
		21,725	20,904
TOTAL LIABILITIES...		68,118	52,970
NET ASSETS		90,117	86,522
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	19	720	720
Translation reserve	19	(1,041)	(1,356)
Cash flow hedge reserve	19	(594)	1,541
Retained earnings	19	87,209	81,836
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		86,294	82,741
NON-CONTROLLING INTERESTS	19	3,823	3,781
TOTAL EQUITY		90,117	86,522

These financial statements were approved by the Board of Directors on 28th July, 2016, and signed on its behalf by:

J.W. Goodwin
Director

R.S. Goodwin
Director

Company Registration Number: 305907

GOODWIN PLC

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30th April, 2016

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit from continuing operations after tax		8,938		15,452
Adjustments for:				
Depreciation		4,748		4,903
Amortisation of intangible assets		583		359
Impairment of intangible assets		340		59
Gain arising on bargain purchase		(143)		-
Financial expenses		775		682
(Profit)/loss on sale of property, plant and equipment ...		(456)		175
Share of profit of associate companies		(341)		(288)
Tax expense		3,376		4,601
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		17,820		25,943
(Increase)/decrease in trade and other receivables		(5,707)		5,192
Increase in inventories		(2,357)		(1,743)
Decrease in trade and other payables (excluding payments on account)		(1,453)		(2,292)
Increase/(decrease) in payments on account		5,402		(3,434)
CASH GENERATED FROM OPERATIONS		13,705		23,666
Interest paid		(703)		(705)
Corporation tax paid		(3,058)		(4,904)
Interest element of finance lease obligations		(20)		(28)
NET CASH FROM OPERATING ACTIVITIES		9,924		18,029
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		968		199
Acquisition of intangible assets		(4,319)		(1,263)
Acquisition of property, plant and equipment		(7,707)		(17,401)
R&D expenditure capitalised		(1,430)		-
Acquisition of subsidiaries net of cash acquired		(2,005)		-
Purchase of non-controlling interest		-		(2,533)
Additional payment for existing subsidiary		(330)		(80)
Additional investment in associate companies		(30)		(64)
Dividends received from associate companies		173		180
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(14,680)		(20,962)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of capital element of finance lease obligations ...		(274)		(449)
Dividends paid		(3,105)		(3,049)
Dividends paid to non-controlling interests		(196)		(88)
Proceeds from loans and committed facilities		3,305		10,000
Repayment of loans and committed facilities		(3,000)		(2,000)
Finance fees		(100)		-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		(3,370)		4,414
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,126)		1,481
Cash and cash equivalents at beginning of year		7,732		6,233
Effect of exchange rate fluctuations on cash held		(19)		18
CASH AND CASH EQUIVALENTS AT END OF YEAR (see note 16)		(413)		7,732

1. Accounting policies

Goodwin PLC (the "Company") is incorporated in the UK.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The Group's financial statements have been approved by the Directors and prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU). The Company has elected to prepare its financial statements in accordance with Financial Reporting Standard (FRS) 101 issued in the UK. These are presented on pages 58 to 73.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

With the current level of order input, the opportunity for continued profitability remains good for the next twelve months. The impact of working capital requirements on our banking facilities given the expected level of activity and capital spend commitments will require close management. After reviewing the situation, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

New IFRS standards and interpretations adopted during 2016

In 2016 the following amendments had been endorsed by the EU, became effective and therefore were adopted by the Group:

- Annual improvements to IFRSs 2010-2012 Cycle (effective for annual periods beginning on or after 1st February, 2015)
- Annual improvements to IFRSs 2011-2013 Cycle (endorsed on 18th December, 2014)

The adoption of these standards and amendments has not had a material impact on the Group's financial statements.

Measurement convention

The financial statements are rounded to the nearest thousand pounds.

The financial statements are based on the historical cost basis except where the measurement of balances at fair value is required as below.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total recognised income and expense and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement within operating profit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1. Accounting policies (continued)

Foreign currency (continued)

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal of the foreign operation.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Group are as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand including cash deposits with an original maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade receivables

Trade receivables do not carry interest and are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest method, where material, as reduced by allowances for impairment when there is objective evidence of impairment. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an impairment account and any impairment loss is recognised in the income statement.

Recognition and valuation of equity instruments

Equity instruments are stated at par value. For ordinary share capital, the par value is recognised in share capital and the premium in the share premium reserve.

Recognition and valuation of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at their fair value less attributable transaction costs. They are subsequently carried at their amortised cost and finance charges are recognised in the income statement over the term of the instrument using an effective rate of interest. Bank overdrafts that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method where material.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is equal to the present value of the difference between the contractual forward price and the current forward price for the residual maturity of the contract. For derivatives that do not form part of a designated hedge relationship, the gain or loss on re-measurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

1. Accounting policies (continued)

Derivative financial instruments and hedging (continued)

Cash flow hedges (continued)

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial cost or other carrying amount of the non-financial asset or liability.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of property, plant and equipment on the following bases:

Freehold land	...	...	...	...	Nil
Freehold buildings	...	...	...	...	2% to 4% on reducing balance or cost
Leasehold property	...	...	...	...	over period of lease
Plant and machinery	...	...	...	...	5% to 25% on reducing balance or cost
Motor vehicles	...	...	...	...	15% or 25% on reducing balance
Tooling	...	...	...	...	over estimated production life
Fixtures and fittings	...	...	...	...	15% to 25% reducing balance

Assets in the course of construction are not depreciated.

Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of businesses. In respect of business acquisitions that have occurred since 1st May, 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets and contingent liabilities acquired. For acquisitions prior to the adoption of Revised IFRS 3 "Business Combinations" (1st May, 2010), cost includes directly attributable acquisition costs. For acquisitions after this date, such costs are charged to the income statement. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

In respect of acquisitions prior to 1st May, 2006, goodwill is included at transition date on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, amortisation of goodwill has ceased as required by IFRS 1.

Negative goodwill arising on an acquisition is recognised immediately in the income statement.

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

1. Accounting policies (continued)

Intangible assets and goodwill (continued)

- Capitalised development costs Minimum expected order unit intake or minimum product life
- Manufacturing rights 6 - 15 years
- Brand names 3 - 15 years
- Brand name, intellectual property and customer list 10 years
- Order book 1 year
- Distribution rights 25 years
- Non-compete agreements 15 years

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Government grants

Government grants relating to income are recognised in the income statement as a deduction from the expenses that they are intended to compensate.

Government grants relating to assets are recognised in the balance sheet as a deduction in the carrying amount of the asset. Depreciation is charged on the value of the asset less the associated grant. Amounts of grants received are shown in notes 3 and 9.

Put option in respect of a minority interest in a subsidiary

Where the Group has, through a put option, an obligation to purchase shares in a subsidiary from a minority interest, a financial liability is recognised for the present value of the estimated consideration payable under the put option and the minority interest is not recognised.

For acquisitions made prior to the adoption of Revised IFRS 3 "Business Combinations" (1st May, 2010) at each reporting date, changes in the carrying amount of the liability arising from variations in the estimated fair value of the purchase consideration (excluding the effect of the unwinding of the discount, which is accounted for as a financial expense) are recognised by adjusting the carrying amount of the goodwill recognised on initial recognition of the business combination. For acquisitions after adoption of Revised IFRS 3, any changes in the liability are recognised in the income statement.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Recoverable amount is the greater of an asset's or cash-generating unit's fair value less costs to sell or value in use.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use were tested for impairment as at 1st May, 2006, the date of transition to Adopted IFRSs, even though no indication of impairment existed.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1. Accounting policies (continued)

Warranty provisions

The Group carries a warranty provision with respect to one of its product lines. The warranties are negotiated at contract placement stage and typically, where given to a customer, the warranty has a duration of between 1 and 3 years. At the expiry of the warranty period, to the extent not utilised the warranty provision is then released back into the income statement.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business by subsidiary companies to external customers, net of discounts, VAT and other sales related taxes. Revenue is reduced for customer returns, rebates and other similar allowances. Revenue from the sale of goods, which represent more than 98% of Group revenue, is recognised in the income statement when:

- The significant risks and rewards of ownership have been transferred to the buyer in accordance with the contracted terms of sale;
- The amount of revenue and costs can be measured reliably;
- The Group retains neither continuing managerial involvement nor effective control over the goods; and
- It is probable that the economic benefits associated with the transaction will flow to the Group.

This is typically on delivery of the products or customer acceptance. However, commercial terms of sale vary between subsidiary companies.

Leases

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial expenses

Financial expenses comprise interest payable, interest on finance leases using the effective interest method and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable is recognised in the income statement as it accrues.

Pension costs

The Group contributes to a defined contribution pension scheme for UK employees under an Auto Enrolment Pension arrangement as required by Government legislation. The assets of the scheme are held in independently administered funds. Group pension costs are charged to the income statement in the year for which contributions are payable.

Contributions to the schemes are made on a monthly basis, and at the end of the financial year there was one month's contributions outstanding, which were paid in the following month.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

New IFRS standards, amendments and interpretations not adopted

The IASB and IFRIC have issued additional standards and amendments which are effective for periods starting after the date of these financial statements. The following standards and amendments have not yet been adopted by the Group:

1. Accounting policies (continued)

New IFRS standards, amendments and interpretations not adopted

- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2017)
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1st January, 2018)
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (effective for annual periods beginning on or after 1st January, 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective for annual periods beginning on or after 1st January, 2016)
- Equity Method in Separate Financial Statements – Amendments to IAS 27 (effective for annual periods beginning on or after 1st January, 2016)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle Investment entities (effective for annual periods beginning on or after 1st January, 2016)
- Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods beginning on or after 1st January, 2016)
- Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Disclosure Initiative – Amendments to IAS 1 (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 16 Leases (not yet endorsed. IASB effective date 1st January, 2019)

The Group has considered the impact of these new standards and interpretations in future periods on profit, earnings per share and net assets. None of the above standards or interpretations are expected to have a material impact.

2. Segmental information

Products and services from which reportable segments derive their revenues

For the purposes of management reporting to the chief operating decision maker, the Board of Directors, the Group is organised into two reportable operating divisions: mechanical engineering and refractory engineering. Financial information for each operating division is also available in a disaggregated form in line with the identified cash-generating units. Segment assets and liabilities include items directly attributable to segments as well as those that can be allocated on a reasonable basis. In accordance with the requirements of IFRS 8 the Group's reportable segments, based on information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance, are as follows;

- Mechanical Engineering - casting, machining and general engineering
- Refractory Engineering - powder manufacture and mineral processing

Information regarding the Group's operating segments is reported below. Associates are included in Refractory Engineering.

Year Ended 30th April	Mechanical Engineering		Refractory Engineering		Sub Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Revenue						
External sales	88,747	93,545	34,792	33,504	123,539	127,049
Inter-segment sales	18,248	24,899	4,534	5,912	22,782	30,811
Total revenue	106,995	118,444	39,326	39,416	146,321	157,860
Reconciliation to consolidated revenue:						
Inter-segment sales					(22,782)	(30,811)
Consolidated revenue for the year					123,539	127,049

2. Segmental information *(continued)*

Year Ended 30th April	Mechanical Engineering		Refractory Engineering		Sub Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Profits						
Segment result including associates	10,961	16,397	4,211	5,139	15,172	21,536
Group centre					(2,083)	(801)
Group finance expenses					(775)	(682)
Consolidated profit before tax for the year					12,314	20,053
Tax					(3,376)	(4,601)
Consolidated profit after tax for the year					8,938	15,452
Year Ended 30th April	Segmental total assets		Segmental total liabilities		Segmental net assets	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Segmental net assets						
Mechanical Engineering	82,569	65,635	65,432	48,082	17,137	17,553
Refractory Engineering	43,207	35,262	28,455	16,572	14,752	18,690
Sub total reportable segment ...	125,776	100,897	93,887	64,654	31,889	36,243
Goodwin PLC net asset					71,620	68,794
Elimination of Goodwin PLC investments					(22,441)	(24,122)
Goodwill					8,994	7,970
Other consolidation adjustments ...					55	(2,363)
Consolidated total net assets ...					90,117	86,522
Segmental property, plant and equipment (PPE) capital expenditure						
Goodwin PLC					5,633	7,586
Mechanical Engineering					3,405	4,843
Refractory Engineering					3,030	4,542
					12,068	16,971
					Depreciation, Amortisation, Impairment	
					2016 £'000	2015 £'000
Mechanical Engineering					2,690	2,188
Refractory Engineering					1,200	957
Goodwin PLC					1,781	2,176
					5,671	5,321

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Board of Directors monitors the tangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments with the exception of those held by the parent Company, Goodwin PLC, and those held as consolidation adjustments.

2. Segmental information (continued)

Geographical segments

The Group operates in the following principal locations.

In presenting the information on geographical segments, revenue is based on the location of its customers and assets on the location of the assets.

	Year ended 30th April, 2016				Year ended 30th April, 2015			
	Revenue £'000	Operational net assets £'000	Non- current assets £'000	PPE Capital expendi- ture £'000	Revenue £'000	Operational net assets £'000	Non- current assets £'000	PPE Capital expendi- ture £'000
UK	36,776	66,292	69,383	9,771	25,415	63,150	56,658	11,876
Rest of Europe	21,656	8,035	1,120	453	24,680	5,921	724	602
USA	13,974	-	-	-	13,009	-	-	-
Pacific Basin	26,958	11,497	5,610	708	39,321	12,430	5,587	3,799
Rest of World	24,175	4,293	5,622	1,136	24,624	5,021	5,032	694
Total	123,539	90,117	81,735	12,068	127,049	86,522	68,001	16,971

3. Expenses and auditor's remuneration

Included in profit before taxation are the following:

Charged to the income statement

Depreciation:

Owned assets ...	...	...	...	...	...	...	...	...	...	2016 £'000	2015 £'000
Assets held under finance lease ...	...	...	...	...	...	...	...	...	...	4,641	4,655
Amortisation of intangible assets ...	...	...	...	...	...	...	...	...	...	107	248
Impairment of intangible assets ...	...	...	...	...	...	...	...	...	...	583	359
(Profit)/loss on sale of property, plant and equipment ...	...	...	...	...	...	...	...	...	...	340	59
Operating lease rentals:										(456)	175
Rental of premises ...	...	...	...	...	...	...	...	...	...	607	381
Short-term plant hire ...	...	...	...	...	...	...	...	...	...	110	143
Research and development expensed as incurred ...	...	...	...	...	...	...	...	...	...	1,141	1,961
Impairment of trade receivables charged to the income statement ...	...	...	...	...	...	...	...	...	...	(27)	6
Foreign exchange losses	...	...	...	...	...	...	...	...	...	1,362	-
Losses on derivatives at fair value through the income statement ...	...	...	...	...	...	...	...	...	...	99	-
Fees receivable by the auditors and their associates in respect of:											
Audit of these financial statements ...	...	...	...	...	...	...	...	...	...	54	54
Audit of the financial statements of subsidiaries ...	...	...	...	...	...	...	...	...	...	111	63
Other non-audit related services:											
Other assurance services ...	...	...	...	...	...	...	...	...	...	17	-
Tax compliance services ...	...	...	...	...	...	...	...	...	...	-	32
Tax advisory services ...	...	...	...	...	...	...	...	...	...	19	5

Credited to the income statement

Government grants received against R&D, infrastructure spend and training costs	...	...	...	...	...	...	...	...	...	675	828
Foreign exchange gains ...	...	...	...	...	...	...	...	...	...	-	1,109
Gain on bargain purchase (See note 27) ...	...	...	...	...	...	...	...	...	...	142	-
Gains on derivatives at fair value through the income statement ...	...	...	...	...	...	...	...	...	...	-	209

4. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

											Number of employees	
											2016	2015
Works personnel	...	...	...	...	...	...	...	...	...	...	1,123	1,088
Administration staff	...	...	...	...	...	...	...	...	...	...	49	49
											1,172	1,137

The aggregate payroll costs of these persons were as follows:

											2016	2015
											£'000	£'000
Wages and salaries	...	...	...	...	...	...	...	...	...	...	33,224	33,525
Social security costs...	...	...	...	...	...	...	...	...	...	...	3,518	3,685
Other pension costs	...	...	...	...	...	...	...	...	...	...	1,136	832
											37,878	38,042

Details of the Directors' remuneration can be found within the Directors' Remuneration Report on page 19. The emoluments of the highest paid Director were £369,000 (2015: £374,000). The emoluments included Company pension contributions of £11,000 (2015: £11,000) which were made to a money purchase scheme on his behalf. The number of Directors who were members of a money purchase pension scheme were 8 (2015: 8).

5. Financial expenses

											2016	2015
											£'000	£'000
Interest expense on finance leases	...	...	...	...	...	...	...	...	...	...	20	28
Interest expense on bank loans and overdrafts	...	...	...	...	...	...	...	...	...	...	765	705
Capitalised interest on fixed asset projects	...	...	...	...	...	...	...	...	...	...	(10)	(51)
Financial expenses	...	...	...	...	...	...	...	...	...	...	775	682

6. Taxation

Recognised in the income statement											2016	2015
											£'000	£'000
Current tax expense												
Current year	...	...	...	...	...	...	...	...	...	...	3,012	3,875
Adjustments for prior years	...	...	...	...	...	...	...	...	...	...	291	168
											3,303	4,043
Deferred tax expense												
Origination and reversal of temporary differences – current year	...	...	...	...	...	...	...	...	...	...	608	562
Origination and reversal of temporary differences – prior year adjustment	...	...	...	...	...	...	...	...	...	...	(266)	(4)
Origination and reversal of temporary differences – rate change to prior year	...	...	...	...	...	...	...	...	...	...	(269)	-
											73	558
Total tax expense	...	...	...	...	...	...	...	...	...	...	3,376	4,601

6. Taxation (continued)

Reconciliation of effective tax rate

	2016 £'000	2015 £'000
Profit before taxation	12,314	20,053
Tax using the UK corporation tax rate of 20.00% (2015: 20.92%)	2,463	4,195
Non-deductible expenses	350	143
Under/(over) provision in prior years	25	164
Patent box tax credit	-	(535)
Losses not utilised	146	187
Rate change to prior year	(269)	(34)
Withholding tax unrelieved	143	62
Difference in overseas tax rates	570	473
Effect of equity accounting for associates	(52)	(54)
Total tax expense	3,376	4,601

The Group's total taxes payable in respect of the year ending 30th April, 2016, comprising Corporation Tax, PAYE and National Insurance was £14 million (2015: £16 million).

Deferred tax recognised directly in equity

The following amounts are included in the consolidated statement of comprehensive income:

	2016 £'000	2015 £'000
Cash flow hedge deferred tax (credit) / charge	(516)	187

7. Earnings per share

The earnings per ordinary share has been calculated on profit for the year attributable to ordinary shareholders of £8,838,000 (2015: £15,025,000) and by reference to the 7,200,000 ordinary shares in issue throughout both years.

The Company has no share options or other diluting interests and accordingly, there is no difference in the calculation of diluted earnings per share.

8. Dividends

	2016 £'000	2015 £'000
Paid ordinary dividends during the year in respect of prior years (2015: 42.348p) per qualifying ordinary share	3,049	3,049
	3,049	3,049

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors (2015: Ordinary dividend of 42.348p).

The proposed current year ordinary dividend of £3,049,000 has not been provided for within these financial statements (2015: Proposed ordinary dividend of £3,049,000 was not provided for within the comparative figures).

9. Property, plant and equipment

					Land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Assets in course of construc- tion £'000	Total £'000
Cost									
At 1st May, 2014...	...	...	...	...	23,610	46,380	2,945	727	73,662
Additions ...	...	...	...	...	2,913	10,125	875	3,058	16,971
Reclassification ...	...	...	...	...	562	165	-	(727)	-
Disposals ...	...	...	...	...	-	(1,234)	-	-	(1,234)
Exchange adjustment ...	...	...	...	...	(40)	(380)	(8)	-	(428)
At 30th April, 2015	...	...	...	...	27,045	55,056	3,812	3,058	88,971
At 1st May, 2015...	...	...	...	...	27,045	55,056	3,812	3,058	88,971
Additions ...	...	...	...	...	452	10,076	346	1,194	12,068
Acquisition ...	...	...	...	...	-	75	2	-	77
Reclassification ...	...	...	...	...	3,101	(101)	68	(3,068)	-
Disposals ...	...	...	...	...	(507)	(201)	(29)	-	(737)
Exchange adjustment ...	...	...	...	...	(53)	102	17	10	76
At 30th April, 2016	...	...	...	...	30,038	65,007	4,216	1,194	100,455
Depreciation									
At 1st May, 2014...	...	...	...	...	2,451	25,368	1,747	-	29,566
Charged in year ...	...	...	...	...	646	3,949	308	-	4,903
Disposals ...	...	...	...	...	-	(860)	-	-	(860)
Exchange adjustment ...	...	...	...	...	(21)	(274)	(2)	-	(297)
At 30th April, 2015	...	...	...	...	3,076	28,183	2,053	-	33,312
At 1st May, 2015...	...	...	...	...	3,076	28,183	2,053	-	33,312
Charged in year ...	...	...	...	...	804	3,497	447	-	4,748
Reclassification ...	...	...	...	...	41	(79)	38	-	-
Disposals ...	...	...	...	...	(68)	(143)	(23)	-	(234)
Exchange adjustment ...	...	...	...	...	(12)	108	3	-	99
At 30th April, 2016	...	...	...	...	3,841	31,566	2,518	-	37,925
Net book value									
At 1st May, 2014...	...	...	...	...	21,159	21,012	1,198	727	44,096
At 30th April, 2015 and 1st May, 2015	...	...	...	...	23,969	26,873	1,759	3,058	55,659
At 30th April, 2016...	...	...	...	...	26,197	33,441	1,698	1,194	62,530

Plant and machinery

At 30th April, 2016, the net carrying amount of leased plant and machinery was £4,693,000 (2015: £1,267,000). The leased equipment secures lease obligations (see note 17).

Assets in the course of construction of £1,194,000 (2015: £3,058,000) includes £392,000 of plant and equipment not commissioned at the year end (2015: £638,000).

Government grants related to tangible fixed assets

Additions to fixed assets are after deducting grants receivable of £nil (2015: £841,000).

10. Intangible assets

		Goodwill	Brand names	Order book	Brand name, Intellectual property, Customer lists	Manufacturing rights, Customer lists, Non-compete agreement	Software & Licences	Development costs	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
Balance at 1st May, 2014	...	8,452	5,232	169	-	978	-	201	15,032
Additions...	...	80	-	-	1,263	-	-	-	1,343
Exchange adjustments	...	(503)	(379)	(17)	-	-	-	-	(899)
Balance at 30th April, 2015		8,029	4,853	152	1,263	978	-	201	15,476
Additions...	...	1,069	408	-	-	4,139	180	1,430	7,226
Exchange adjustment	...	295	229	10	-	-	-	-	534
Balance at 30th April, 2016		9,393	5,490	162	1,263	5,117	180	1,631	23,236
Amortisation and impairment									
Balance at 1st May, 2014	...	-	3,197	169	-	831	-	201	4,398
Amortisation for the year	...	-	332	-	10	17	-	-	359
Impairment for the year	...	59	-	-	-	-	-	-	59
Exchange adjustment	...	-	(188)	(17)	-	-	-	-	(205)
Balance at 30th April, 2015		59	3,341	152	10	848	-	201	4,611
Amortisation for the year	...	-	331	-	126	96	20	10	583
Impairment for the year	...	340	-	-	-	-	-	-	340
Exchange adjustment	...	-	127	10	-	-	-	-	137
Balance at 30th April, 2016		399	3,799	162	136	944	20	211	5,671
Net book value									
At 1st May, 2014...	...	8,452	2,035	-	-	147	-	-	10,634
At 30th April, 2015	...	7,970	1,512	-	1,253	130	-	-	10,865
At 30th April, 2016...		8,994	1,691	-	1,127	4,173	160	1,420	17,565

During the year, the Group added to its portfolio of goodwill and intangible assets. The main additions are described below:

£3.5 million on manufacturing rights and customer lists relating to the acquisition of the vermiculite and perlite activities from Westland (GB Trading) Limited during October 2015 satisfied fully by cash.

£1.07 million of goodwill relating to the 100% acquisition by Easat Radar Systems Limited of NRPL Aero Oy, a Finnish transceiver company. The transaction comprised cash of £1.525 million and the transfer of 20% of the equity of Easat to the former owner of NRPL Aero Oy. Management have assessed the fair value of the NRPL brand name to be £408,000 based on the expected net present value of future cash flows.

£640,000 on the acquisition of the manufacturing rights and non-compete agreements in relation to a Chinese lost wax investment powder manufacturing company in China.

£736,000 has been capitalised during the year in relation to transceiver development expenditure by NRPL.

£594,000 has been capitalised during the year in relation to the development of a new check valve range by Goodwin International.

Amortisation and impairment charges

The amortisation charge of £583,000 (2015: £359,000) is recognised in cost of sales in the income statement.

The £340,000 impairment of goodwill during the year was in relation to Easat Radar Systems Limited and is recognised in cost of sales in the income statement (2015: £59,000 JSR Technology Limited).

10. Intangible assets (continued)

Impairment testing for cash-generating units containing goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. For the purpose of impairment testing, goodwill is allocated to the relevant subsidiary which is the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are:

	2016 £'000	2015 £'000
Noreva GmbH	4,267	3,974
Goodwin Refractory Services Holdings Limited	3,346	3,346
NRPL Aero Oy... ..	1,069	-
Other	312	650
	8,994	7,970

An impairment test is a comparison of the carrying value of the assets of a cash-generating unit ("CGU") to their recoverable amount, based on a value-in-use calculation. Recoverable amount is the greater of value-in-use and market value. Where the recoverable amount is less than the carrying value an impairment results. During the year each CGU containing goodwill was separately assessed and tested for impairment.

As part of testing goodwill for impairment detailed forecasts of operating cash flows for the next five years are used, which are based on approved budgets and plans by the Board. The forecasts represent the best estimate of future performance of the CGU based on past performance and expectations for the market development of the CGU.

A number of key assumptions are used as part of impairment testing. These key assumptions, such as the CGU's position within its relevant market; its ability to generate profitable orders within that market; expected growth rates both in the market and geographically, are made by management who also take into account past experience and knowledge of forecast future performance together with other relevant external sources of information.

The projections use various growth rates consistent with the profit forecasts of the CGU for the first three years, with modest growth rates thereafter (2015: profit forecast for the first 3 years, with reasonably considered growth rates thereafter) extrapolated over the minimum expected life span of the unit. The forecasts are then discounted at an appropriate weighted average cost of capital rate considering the perceived levels of risk, namely 14.8% (2015: 12%-15%). Further sensitivity tests are then performed reducing the projected profits by 15% and also increasing the weighted average cost of capital by 5% to confirm there is no need to consider further a need for impairment.

The estimates and assumptions made in connection with the impairment testing could differ from future actual results of operations and cash flows. A reasonably likely variation in the assumptions would not give rise to an impairment. However, future events could cause the Group to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired.

11. Investments in subsidiaries and associates

The Group has the following principal subsidiaries and associates, non-principal subsidiaries and associates are listed in note 26:

	Country of Incorporation	Class of shares held	% held
<i>Subsidiaries:</i>			
<i>Mechanical Engineering:</i>			
Goodwin Steel Castings Limited	Great Britain	Ordinary	100
Goodwin International Limited	Great Britain	Ordinary	100
Easat Radar Systems Limited	Great Britain	Ordinary	77
Goodwin Korea Company Limited	South Korea	Ordinary	95
Goodwin Pumps India Private Limited	India	Ordinary	100
Goodwin Shanghai Company Limited	China	Ordinary	100
Noreva GmbH	Germany	Ordinary	87.5*
Goodwin (Shanxi) Pump Company Limited	China	Ordinary	100
Goodwin Valve and Pump Company Limited	Brazil	Ordinary	100
Internet Central Limited	Great Britain	Ordinary	82.5
Goodwin Submersible Pumps Australia Pty. Limited	Australia	Ordinary	100
Metal Proving Services Limited	Great Britain	Ordinary	100
NRPL Aero Oy	Finland	Ordinary	77
<i>Refractory Engineering:</i>			
Goodwin Refractory Services Limited	Great Britain	Ordinary	100
Dupré Minerals Limited	Great Britain	Ordinary/Preference	100
Hoben International Limited	Great Britain	Ordinary	100
Gold Star Powders India Private Limited	India	Ordinary	100
Siam Casting Powders Limited	Thailand	Ordinary	51
Ultratec Jewelry Supplies Limited	China	Ordinary	51
SRS Guangzhou Limited	China	Ordinary	51
SRS (Qingdao) Casting Materials Company Limited... ..	China	Ordinary	51
Gold Star Brazil Limited	Brazil	Ordinary	100
<i>Refractory Associates:</i>			
Jewelry Plaster Limited	Thailand	Ordinary	49

*Whilst Noreva is a 87.5% owned subsidiary the company has been treated as a 100% subsidiary by virtue of there being both put and call options in place for the remaining 12.5% of the share capital.

All of the above companies are included as part of the consolidated accounts and are involved in mechanical and refractory engineering.

The Group's share of profit after tax in its associates for the year ended 30th April, 2016, was £341,000 (2015: £288,000).

11. Investments in subsidiaries and associates (continued)

Summary financial information of Group share of associates was:

Summary financial information of Group share of associates was:												2016 £'000	2015 £'000
Balance at 1st May	...	...	...	...	...	...	...	...	...	...	...	1,477	1,193
Profit before tax	...	...	...	...	...	...	...	...	...	...	...	393	342
Tax	...	...	...	...	...	...	...	...	...	...	...	(52)	(54)
Dividend	...	...	...	...	...	...	...	...	...	...	...	(168)	(180)
Additional investment	...	...	...	...	...	...	...	...	...	...	...	-	64
Exchange adjustment	...	...	...	...	...	...	...	...	...	...	...	(10)	112
Balance at 30th April	...	...	...	...	...	...	...	...	...	...	...	1,640	1,477
Assets	...	...	...	...	...	...	...	...	...	...	...	2,279	2,346
Liabilities	...	...	...	...	...	...	...	...	...	...	...	(639)	(869)
												1,640	1,477

Summarised financial information of the Group's individually material associate, Jewelry Plaster Limited, is as follows

														2016	2015
														£'000	£'000
Revenue	...	...	...	...	...	...	...	...	...	...	...	...		1,337	1,332
Profit after tax	...	...	...	...	...	...	...	...	...	...	...	...		211	193
Non-current assets		...	...	...	...	...	...	...	...	...	...	...		295	300
Current assets	...	...	...	...	...	...	...	...	...	...	...	...		879	938
Non-current liabilities	...	...	...	...	...	...	...	...	...	...	...	...		-	(3)
Current liabilities	...	...	...	...	...	...	...	...	...	...	...	...		(172)	(294)
Group equity investment in associate														1,002	941

12. Warranty provision

												2016	2015
												£'000	£'000
. Warranty provision													
Balance at 1st May	...	...	...	...	...	...	...	...	...	...		521	719
Generated	...	...	...	...	...	...	...	...	...	...		145	236
Credited to the income statement	...	...	...	...	...	...	...	...	...	...		(367)	(360)
Exchange adjustment	...	...	...	...	...	...	...	...	...	...		31	(74)
Balance at 30th April...	...	...	...	...	...	...	...	...	...	...		330	521
Warranty due within one year	...	...	...	...	...	...	...	...	...	...		151	224
Warranty due after one year	...	...	...	...	...	...	...	...	...	...		179	297
Balance at 30th April...	...	...	...	...	...	...	...	...	...	...		330	521

Provisions for warranties primarily relate to products sold and generally covers a period of between 1 and 3 years.

13. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

										Assets		Liabilities	
										2016	2015	2016	2015
										£'000	£'000	£'000	£'000
Property, plant and equipment	...	...	...	...	...	...	...	...	...	-	-	(2,647)	(2,550)
Derivative financial instruments	...	...	...	...	...	...	...	...	...	75	-	-	(408)
Intangible assets	...	...	...	...	...	...	...	...	...	-	-	(427)	(469)
Other temporary differences	...	...	...	...	...	...	...	...	...	-	-	(50)	(31)
										75	-	(3,124)	(3,458)
												2016	2015
												£'000	£'000
Assets	...	...	...	...	...	...	...	...	...			75	-
Liabilities	...	...	...	...	...	...	...	...	...			(3,124)	(3,458)
												(3,049)	(3,458)

	Property, plant & equipment	Derivative financial instruments	Intangible assets	Other temporary differences	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1st May, 2014	(2,133)	(280)	(608)	152	(2,869)
Recognised in income	(413)	(41)	79	(183)	(558)
Recognised in equity	-	(87)	-	-	(87)
Exchange adjustment	(4)	-	60	-	56
Balance at 30th April, 2015	(2,550)	(408)	(469)	(31)	(3,458)
Recognised in income	(97)	(32)	75	(19)	(73)
Recognised in equity	-	516	-	-	516
Exchange adjustment	-	-	(34)	-	(34)
Balance at 30th April, 2016	(2,647)	76	(428)	(50)	(3,049)

Within the current and previous year, the Group has no material tax losses where a deferred tax asset has been recognised. As at 30th April, 2016, the Group has not recognised £535,000 of deferred tax assets in relation to accumulated subsidiary losses (30th April, 2015: £389,000).

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1st April, 2014) and 20% (effective from 1st April, 2015) were substantively enacted on 2nd July, 2013. Further reductions to 19% (effective from 1st April, 2017) and to 18% (effective 1st April, 2020) were substantively enacted on 26th October, 2015. The deferred tax liability at 30th April, 2016, has been calculated based on these rates.

An additional reduction to 17% (effective from 1st April, 2020) was announced in the Budget on 16th March, 2016. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax liability at 30th April, 2016 by £163,000.

14. Inventories

										2016	2015
										£'000	£'000
Raw materials and consumables	...	...	...	...	...	...	...	...	...	15,161	15,782
Work in progress	...	...	...	...	...	...	...	...	...	16,727	13,051
Finished goods	...	...	...	...	...	...	...	...	...	3,743	3,938
										35,631	32,771

The Group carries provisions against inventories as follows:

										2016	2015
										£'000	£'000
Raw materials and consumables	...	...	...	...	...	...	...	...	...	436	295
Work in progress	...	...	...	...	...	...	...	...	...	918	858
Finished goods	...	...	...	...	...	...	...	...	...	298	365
										1,652	1,518

15. Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables	28,759	23,377
Other receivables	2,840	2,063
Prepayments	2,193	924
	33,792	26,364

16. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash and cash equivalents per balance sheet	4,970	7,732
Bank overdrafts	(5,383)	-
Cash and cash equivalents per cash flow statement	(413)	7,732

17. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing bank loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20.

	2016 £'000	2015 £'000
Non-current liabilities		
Finance lease liabilities	3,367	288
Bank loans and committed facilities	15,130	16,861
	18,497	17,149
Current liabilities		
Finance lease liabilities	972	277
Bank loans and committed facilities	2,176	-
Bank overdrafts	5,383	-
	8,531	277

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2016			2015		
	Minimum lease payments £'000	Interest £'000	Principal £'000	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	339	113	226	293	16	277
Between one and five years	4,311	198	4,113	300	12	288
	4,650	311	4,339	593	28	565

18. Trade and other payables

	2016 £'000	2015 £'000
Current liabilities		
Trade payables	16,558	14,573
Non-trade payables and accrued expenses	5,103	6,883
Other taxation and social security costs	1,865	1,802
Payments received on account	9,082	3,680
	32,608	26,938
Deferred consideration on acquisitions	500	500

The deferred consideration at 30th April, 2016, and 30th April, 2015, of £500,000 relates to the acquisition of Noreva GmbH.

The liability for deferred consideration is calculated on the basis that the amount is payable on demand.

19. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £'000	Translation reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 30th April, 2014	720	(9)	1,195	71,684	73,590	3,980	77,570
Total comprehensive income	-	(1,347)	346	15,025	14,024	598	14,622
Purchase of non-controlling interest without a change in control	-	-	-	(1,824)	(1,824)	(709)	(2,533)
Dividends paid	-	-	-	(3,049)	(3,049)	(88)	(3,137)
Balance at 30th April, 2015	720	(1,356)	1,541	81,836	82,741	3,781	86,522
Total comprehensive income	-	315	(2,135)	8,838	7,018	64	7,082
Purchase of non-controlling interests without a change in control	-	-	-	(360)	(360)	-	(360)
Transactions with owners of the Company recognised directly within equity	-	-	-	-	-	174	174
Dividends paid	-	-	-	(3,105)	(3,105)	(196)	(3,301)
Balance at 30th April, 2016	720	(1,041)	(594)	87,209	86,294	3,823	90,117

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions that have not yet occurred.

The aggregate deferred tax relating to items that are recognised in equity is an asset of £130,000 (2015: liability of £385,000).

Share capital

2016
£'000

2015
£'000

Authorised, allotted, called up and fully paid:

7,200,000 ordinary shares of 10p each **720** **720**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20. Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in market prices (interest rates, foreign exchange rates and commodity prices), credit risks and liquidity. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the Group.

a) Credit risk

The Group's financial assets are cash and cash equivalents and trade and other receivables, the carrying amounts of which represent the Group's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade receivables and is managed through the following processes:

- The majority of orders accepted by Group companies are taken with credit insurance coverage.
- Some orders are accepted with no credit insurance but with letters of credit.
- Some orders are accepted with no credit insurance and no letter of credit but with an internal analysis of the customer's size, creditworthiness, historic profitability and payment record.
- A few orders (less than 10%) are taken at risk following review by at least two Board members.
- Major orders are normally accompanied by stage payments which go towards mitigating our credit risk.

20. Financial risk management (continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

to credit risk at the reporting date was:											Notes	Carrying amount	
												2016	2015
												£'000	£'000
Trade and other receivables	...	...	...	...	...	...	15	31,599	25,440				
Cash at bank and cash equivalents	...	...	...	...	...	...	16	4,970	7,732				
Derivative financial assets...	...	...	...	...	...	...	20(e)	2,107	4,624				
								38,676	37,796				

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

											Carrying amount	
											2016	2015
											£'000	£'000
UK	...	...	...	...	...	...	...	...	...	...	4,919	2,688
Rest of Europe	...	...	...	...	...	...	...	...	...	...	8,009	3,891
USA	...	...	...	...	...	...	...	...	...	...	4,640	3,157
Pacific Basin	...	...	...	...	...	...	...	...	...	...	6,932	8,739
Rest of World	...	...	...	...	...	...	...	...	...	...	4,259	4,902
											28,759	23,377

The ageing of trade receivables and impairments at the reporting date were:

											Net	Gross	Impairment
											2016	2016	provision
											£'000	£'000	2016
											£'000	£'000	£'000
Not past due	...	...	...	...	...	...	...	...	...	...	22,630	22,630	-
Past due 1-30 days	...	...	...	...	...	...	...	...	...	...	4,043	4,043	-
Past due 31-90 days	...	...	...	...	...	...	...	...	...	...	1,434	1,434	-
Past due more than 90 days	...	...	...	...	...	...	...	...	...	...	652	1,522	(870)
											28,759	29,629	(870)

There are no significant credit risks arising from the above assets and management believes the credit quality of customers is good, based on a review of past payment history and the current financial status of the customers. Included in trade receivables are retentions which are job specific and have varying due dates depending on the complexity of the job. These are included in the not past due category. The Group has not renegotiated the terms of any trade receivables and has not pledged any trade receivables as security.

The Directors estimate that the fair value of the Group's trade and other receivables is approximate to their carrying values.

											2016	2015
											£'000	£'000
An analysis of the provision for impairment of receivables is as follows:												
At beginning of year	...	...	...	...	...	...	...	...	...	...	512	797
Exchange adjustment	...	...	...	...	...	...	...	...	...	...	-	12
Impairment charged through the income statement	...	...	...	...	...	...	...	...	...	...	476	6
Impairment provision utilised during the year	...	...	...	...	...	...	...	...	...	...	(118)	(303)
At end of year	...	...	...	...	...	...	...	...	...	...	870	512

20. Financial risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

At the year end the Group had the following unutilised bank facilities in respect of which all conditions precedent had been met:

	Uncommitted		Committed		Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Unutilised bank facilities	10,933	28,640	18,961	5,000	29,894	33,640

The Group's principal borrowing facilities are provided by 4 banks in the form of borrowings and short-term overdraft facilities. The quantum of borrowing facilities available to the Group is reviewed regularly in light of current working capital requirements and the need for capital investment for the long-term future for the Group.

Maturity analysis

The table below analyses the Group's financial liabilities into maturity groupings based on the period outstanding at the balance sheet date up to the contractual maturity date. All figures are contracted gross cash flows that have not been discounted.

Cash flows that have not been discounted.										2016			Carrying value 2016 Total £'000
										Contractual cash flows			
										Within	1-6 years	Total	
										1 year	1-6 years	Total	
										£'000	£'000	£'000	£'000
Non-derivative financial liabilities													
Bank loans and committed facilities	...	...	...	...	...	...	...	...	...	2,176	15,130	17,306	17,306
Overdrafts	...	...	...	...	...	...	...	...	...	5,383	-	5,383	5,383
Finance leases	...	...	...	...	...	...	...	...	...	1,083	3,565	4,648	4,339
Trade and other payables	...	...	...	...	...	...	...	...	...	32,608	-	32,608	32,608
Deferred considerations on acquisitions	...	...	...	...	...	...	...	...	...	500	-	500	500
Total	...	...	...	...	...	...	...	...	...	41,750	18,695	60,445	60,136

The 30th April, 2016 bank loans and committed facilities are repayable as follows: bank overdraft on demand £5.4 million, £2 million within year end 30th April, 2017, £2 million within year end 30th April, 2018, £6 million within year end 30th April, 2019, £1 million within year end 30th April, 2020 and £6 million within year end 30th April, 2021. The interest rates chargeable on these loans are on a floating basis against LIBOR, with bank margins of less than 2%.

Bank margins of less than 2%.										2015			Carrying value 2015 Total £'000					
										Contractual cash flows								
										Within 1 year	1-6 years	Total						
										£'000	£'000	£'000						
Non-derivative financial liabilities																		
Bank loans and committed facilities										...	...	...	-	17,000	17,000	16,861		
Finance leases										...	...	...	...	...	293	300	593	565
Trade and other payables										...	...	...	...	...	26,938	-	26,938	26,938
Deferred considerations on acquisitions										...	...		500	-	500	500		
Total										...	...	...	...	...	27,731	17,300	45,031	44,864

20. Financial risk management (continued)

c) Market risk

Foreign exchange risk

The Group is subject to fluctuations in exchange rates on its net investments overseas and transactional monetary assets and liabilities not denominated in the operating (or “functional”) currency of the operating unit involved.

The Group is exposed to fluctuations in several currencies which give rise to the net currency gains and losses recognised in the income statement.

The Group at its discretion is empowered to hedge its estimated annual foreign currency exposure in respect of forecast sales and purchases if the Board deems it appropriate after having taken into account the expected movement in the foreign exchange rates. The Group uses forward exchange contracts to hedge its foreign currency risk. All the foreign exchange contracts have maturities within two years after the balance sheet date. Where necessary, the forward exchange contracts are rolled over at maturity.

In respect of other monetary assets and liabilities held in currencies, the Group ensures that the net exposure is eliminated through the use of forward exchange contracts or spot transactions at the time the contractual commitment is in place.

Currency profile of financial assets and liabilities:

	2016 US Dollar £'000	2015 US Dollar £'000	2016 Euro £'000	2015 Euro £'000	2016 Other £'000	2015 Other £'000	2016 Total £'000	2015 Total £'000
Trade and other receivables	12,597	11,599	3,414	2,421	-	-	16,011	14,020
Cash and cash equivalents	119	617	3	421	-	-	122	1,038
Trade and other payables	(4,131)	(752)	(7,280)	(3,784)	(4,866)	(4,969)	(16,277)	(9,505)
	8,585	11,464	(3,863)	(942)	(4,866)	(4,969)	(144)	5,553

The following significant exchange rates applied during the year:

						Average exchange rate		Reporting date spot rate	
						2016	2015	2016	2015
US Dollar	...	...	...	...	...	1.495	1.5992	1.463	1.533
Euro	...	...	...	...	...	1.342	1.2925	1.278	1.373

20. Financial risk management (continued)

c) Market risk (continued)

Interest rate risk

The Group is subject to fluctuations in interest rates on its borrowings and surplus cash. The Group is aware of the financial products available to hedge against adverse movements in interest rates. Formal reviews are undertaken to determine whether such instruments are appropriate for the Group. During the year, no new interest rate swaps or caps were entered into.

The Group has taken out in previous years £5 million of interest rate protection in the form of swaps which expire in October 2016.

The table below shows the Group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non interest bearing.

	Fixed rate		Floating rate		Non interest bearing		Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Cash and cash equivalents	-	-	4,970	7,732	-	-	4,970	7,732
Trade and other receivables	-	-	-	-	35,899	30,988	35,889	30,988
Trade and other payables	-	-	-	-	(37,941)	(31,565)	(37,941)	(31,565)
Bank overdrafts	-	-	(5,383)	-	-	-	(5,383)	-
Bank loans and committed facilities	-	-	(17,306)	(16,861)	-	-	(17,306)	(16,861)
Finance lease liabilities	(4,339)	(237)	-	(328)	-	-	(4,339)	(565)
	(4,339)	(237)	(17,719)	(9,457)	(2,042)	(577)	(24,100)	(10,271)

Other receivables and other payables include derivatives.

d) Capital management

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Board maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Operations are funded through various shareholders' funds, bank debt, finance leases and, where appropriate, deferred consideration on acquisitions. The capital structure of the Group reflects the judgement of the Board as to the appropriate balance of funding required. At 30th April, 2016, the capital used was £108.9 million (2015: £92.9 million) as shown in the following table:

	2016 £'000	2015 £'000
Cash and cash equivalents ...	(4,970)	(7,732)
Finance leases ...	4,339	565
Bank loans and committed facilities ...	17,306	16,861
Overdrafts ...	5,383	-
Deferred consideration ...	500	500
Net debt ...	22,558	10,194
Total equity attributable to equity holders of the parent ...	86,294	82,741
Capital	108,852	92,935

The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group's strategy is to target a debt to equity ratio below 30%, adjusted where appropriate for the effect of acquisitions. At 30th April, 2016 net debt was £22.6 million (2015: £10.2 million).

The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

Working capital is managed in order to generate maximum conversion of profits into cash and cash equivalents. Dividends are paid from current year profits, thereby maintaining equity.

The policy for debt is to ensure a smooth debt maturity profile with the objective of ensuring continuity of funding. The repayment profile for the debt is shown in note 20(b).

There were no changes in the Group's approach to capital management during the year.

20. Financial risk management (continued)

d) Capital management (continued)

Currency derivatives

The Group utilises currency derivatives to hedge future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures.

Forecast transactions

The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

The nominal value of forward exchange contracts used as hedges of forecast transactions at 30th April, 2016, in sterling terms, was £124 million spread across USD, EUR, PLN denominated contracts. The fair value of these at 30th April, 2016 was a liability of £613,000 (being assets totalling £1,571,000 and liabilities totalling £2,184,000). The Group also has a number of forward contracts not designated as cash flow hedges and therefore recorded at fair value through the income statement. The nominal value of these contracts at 30th April, 2016, in sterling terms, was £971,000 spread across USD and EUR denominated contracts. The fair value of these at 30th April, 2016 was an asset of £12,000 (being assets totalling £536,000 and liabilities totalling £524,000).

The nominal value of forward exchange contracts used as hedges of forecast transactions at 30th April, 2015, in sterling terms, was £86.4 million spread across USD, EUR, INR, JPY and BRL denominated contracts. The fair value of these at 30th April, 2015 was an asset of £2,249,000 (being assets totalling £3,576,000 and liabilities totalling £1,327,000). The Group also had a number of forward contracts not designated as cash flow hedges, and therefore recorded at fair value through the income statement. The nominal value of these contracts at 30th April, 2015, in sterling terms, was £12.1 million spread across USD, EUR and INR denominated contracts. The fair value of these at 30th April, 2015 was an asset of £111,000 (being assets totalling £1,048,000 and liabilities totalling £937,000).

Recognised assets and liabilities

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of administrative expenses.

Interest rate swaps

The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its bank borrowings. The nominal value of these contracts at the year end was £5 million (2015: £5 million).

The fair value of swaps entered into at 30th April, 2016, was estimated at £111,000 liability (2015: £323,000 liability). Of these swaps, the fair value of those designated as cash flow hedges at 30th April, 2016, was £111,000 liability (2015: £323,000 liability).

Derivative financial instruments

For cash flow hedges the following table sets out the periods when the cash flows are expected to occur and when they are expected to affect profit or loss:

					2016				
					Periods in which cash flows and profits are expected to occur				
					Carrying amount £'000	Expected cash flow £'000	Within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000
Forward exchange contracts									
Assets	...	...	...	...	1,571	1,571	1,452	119	-
Liabilities	...	...	...	...	(2,184)	(2,184)	(2,133)	(51)	-
Interest rate swaps									
Liabilities	...	...	...	...	(111)	(111)	(111)	-	-
					<u>(724)</u>	<u>(724)</u>	<u>(792)</u>	<u>68</u>	<u>-</u>
					2015				
					Periods in which cash flows and profits are expected to occur				
					Carrying amount £'000	Expected cash flow £'000	Within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000
Forward exchange contracts									
Assets	...	...	...	...	3,576	3,576	1,653	1,923	-
Liabilities	...	...	...	...	(1,327)	(1,327)	(924)	(403)	-
Interest rate swaps									
Liabilities	...	...	...	...	(323)	(323)	(226)	(97)	-
					<u>1,926</u>	<u>1,926</u>	<u>503</u>	<u>1,423</u>	<u>-</u>

20. Financial risk management (continued)

d) Capital management (continued)

Derivative financial instruments

Sensitivity analysis

The Group has calculated the following sensitivities based on available data from forward contract markets for the principal foreign currencies in which the Group operates. Given recent fluctuations in rates, it is deemed sensible to provide the quantum for a 1% change in rates to aid understanding. These figures can be extrapolated proportionately to obtain an estimate of the impact of large movements.

	2016 £'000	2015 £'000
Impact on equity	(Profit)/loss	(Profit)/loss
1% increase in US Dollar fx rate against pound sterling	(887)	(652)
1% increase in Euro fx rate against pound sterling	(320)	(280)
1% increase in other currencies fx rates against pound sterling	(60)	52
1% decrease in US Dollar fx rate against pound sterling	887	652
1% decrease in Euro fx rate against pound sterling	320	280
1% decrease in other currencies fx rates against pound sterling	60	(52)
Impact on the income statement		
1% increase in US Dollar fx rate against pound sterling	-	(80)
1% increase in Euro fx rate against pound sterling	-	(40)
1% increase in other currencies fx rates against pound sterling	(12)	-
1% decrease in US Dollar fx rate against pound sterling	-	80
1% decrease in Euro fx rate against pound sterling	-	40
1% decrease in other currencies fx rates against pound sterling	12	-

The Group has calculated the following sensitivities based on available data from forward markets for fixed and floating interest rates. Management believe that these reflect the most probable rate movements.

	2016 £'000	2015 £'000
Impact on equity		
1% increase in base rate of interest	25	75
Impact on the income statement		
1% increase in base rate of interest	-	-

e) Total financial assets and liabilities

The table below sets out the Group's accounting classification of each class of financial assets and liabilities and their fair values at 30th April, 2016, and 30th April, 2015.

	30th April, 2016		30th April, 2015	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets				
Cash and cash equivalents	4,970	4,970	7,732	7,732
Receivables				
Trade receivables	28,759	28,759	23,377	23,377
Other receivables	2,840	2,840	2,063	2,063
At fair value through the income statement				
Derivative financial assets not designated in a cash flow hedge relationship	536	536	1,048	1,048
Designated cash flow hedge relationships				
Derivative financial assets designated and effective as cash flow hedging instruments	1,571	1,571	3,576	3,576
Total financial assets...	38,676	38,676	37,796	37,796

20. Financial risk management (continued)

e) Total financial assets and liabilities (continued)

Financial liabilities

Financial liabilities at amortised cost

	30th April, 2016		30th April, 2015	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Trade payables	16,558	16,558	14,573	14,573
Other payables	6,968	6,968	8,685	8,685
Deferred consideration	500	500	500	500
Finance lease liabilities	4,339	4,339	565	565
Bank loans and committed facilities	22,689	22,689	16,861	16,861
Corporation tax	2,014	2,014	1,540	1,540

At fair value through the income statement

Derivative financial liabilities not designated in a cash flow hedge relationship	523	523	937	937
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Designated cash flow hedge relationships

Derivative financial liabilities designated and effective as cash flow hedging instruments	2,295	2,295	1,650	1,650
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Total financial liabilities	55,886	55,886	45,311	45,311
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Derivative financial assets and liabilities fair values in the above table are derived using Level 2 inputs as defined by IFRS 7 as detailed in the paragraph below. All other financial assets and liabilities fair values are determined using Level 3 inputs.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Under IAS 39, all derivative financial instruments not in a hedge relationship are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are underpinned by firm orders from customers or to suppliers or where there is a high degree of certainty that orders will be received.

For short-term cash and cash equivalents, trade and other receivables, trade and other payables and floating rate borrowings, the fair values are the same as carrying value. For fixed rate borrowings, forward currency contracts and interest rate instruments, fair values have been calculated by discounting the cash flows at prevailing appropriate market rates. Other assets reflect management's estimate of value on an appropriate basis.

21. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings £'000	Other £'000	Total 2016 £'000	Total 2015 £'000
Less than one year	512	42	554	370
Between one and five years	972	54	1,026	1,220
	1,484	96	1,580	1,590

22. Capital commitments

Contracted capital commitments at 30th April, 2016 for which no provision has been made in these financial statements were £1,497,000 (2015: £4,490,000).

23. Guarantees and contingencies

											Total £'000	Number of Contracts
Year ended												
30th April, 2016	...	...	...	...	...	...	...	...	...	...	13,229	374
30th April, 2015	...	...	...	...	...	...	...	...	...	...	15,455	417

The Group has issued bank backed guarantee and bond commitments principally in order to secure its contracts.

24. Subsequent events

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors (2015: Ordinary dividend of 42.348p).

The current year proposed ordinary dividend of £3,049,000 has not been provided for within these financial statements (2015: Proposed ordinary dividend of £3,049,000 was not provided for within the comparative figures).

On 23rd June, 2016 the UK voted to leave the European Union. The likely impact of this decision has been discussed within the principal risks and uncertainties section of the Group Strategic Report on page 6.

25. Accounting estimates and judgements

a) Recoverability of assets/impairment calculations

The Group's Directors review the appropriateness of the carrying values of its non-current and current assets.

With regards to the non-current assets, the Directors consider the value of goodwill reported at the year end and only carry forward goodwill on the basis that it remains unimpaired as demonstrated by the future underlying performance of the subsidiaries or cash-generating unit giving rise to the goodwill. If the Directors are not of such a view then the goodwill is impaired immediately.

With regard to plant and equipment, the Directors consider that the depreciation rates applied are sufficient, taking into account both the expected lifespan of the plant and equipment and also the demand in the marketplace for the goods that the plant produces.

With regard to current assets, the Directors look at the carrying values as stated in the balance sheet and make full provision for any assets on which there is a high degree of probability that full conversion of such assets into cash is unlikely.

b) Warranties

The mechanical engineering segment of the Group operates within capital goods markets. Some of these goods are sold with warranties. The Group's Directors review the need for provisions that may be required for any rework, based on past experience and knowledge of the products, and provisions are made in the accounts as deemed appropriate.

c) Revenue Recognition

The Group's Directors are conscious of the stringent requirements of IAS 18 which deals with revenue recognition. The Group's sales are made under a wide variety of commercial terms and so particular effort is needed to ensure that sales are only recognised within the accounts when to do so is in accordance with the accounting standard.

26. Non-principal subsidiaries and associates

	Country of Incorporation	Class of shares held	% held
<i>Non-principal Subsidiaries:</i>			
Perfect Audio Visual Limited	Great Britain	Ordinary	76
Shenzhen King-Top Modern Hi-Tech Company Limited	China	Ordinary	51
<i>Holding Companies:</i>			
Goodwin Refractory Services Holdings Limited	Great Britain	Ordinary	100
Ying Tai (UK) Limited	Great Britain	Ordinary	51
<i>Non-principal Associates:</i>			
Jewelry Wax Limited	Thailand	Ordinary	49
Tet Goodwin Property Company Limited	Thailand	Ordinary	49
Asian Industrial Investment Casting Powders Private Limited	India	Ordinary	50
JSR Technology Limited	Great Britain	Ordinary	75
<i>Dormant companies:</i>			
Hoben Davis Limited	Great Britain	Ordinary	100
Gold Star Powders Limited	Great Britain	Ordinary	100
Perfect Audio Visual (NI) Limited	Great Britain	Ordinary	76
Net Central Limited	Great Britain	Ordinary	100
Sandersfire International Limited	Great Britain	Ordinary	100
Specialist Refractory Services Limited	Great Britain	Ordinary	100
Tecast Trading (Guangzhou) Limited	China	Ordinary	51

All of the above companies are included as part of the consolidated accounts.

27. Acquisitions

Easat Radar Systems Limited (Easat) acquired 100% of the share capital of NRPL Aero Oy during the year for a cash consideration of £1.525 million plus 20% of the share capital of Easat. The fair value of the Easat shares was assessed as 20% of the net asset value of Easat as at 31st May, 2015. The transaction costs involved in completing the acquisition were not significant. The acquisition gives the Group the capability to supply complete radar systems to the air traffic control and coastal surveillance market place.

Ultratec Jewelry Supplies Limited acquired 100% of the share capital of Shenzhen King-Top Modern Hi-Tech Company Limited in January 2016 for a cash consideration of USD \$600,000. The transaction costs involved were not significant. The acquisition has strengthened the Group's presence within the Chinese investment powder supplies market.

A financial summary of both acquisitions is shown below:

	Recognised acquisition value £'000
NRPL Aero Oy	
Brand name	408
Property, plant and equipment	39
Inventories	138
Trade and other receivables	374
Cash and cash equivalents	77
Trade and other payables	(186)
Loans	(184)
Net identifiable assets and liabilities	666
Purchase consideration - cash and equity in Easat Radar Systems Limited	1,735
Goodwill arising	1,069
Shenzhen King-Top Modern Hi-Tech Company Limited	
Property, plant and equipment	49
Inventories	289
Trade and other receivables	330
Cash and cash equivalents	79
Trade and other payables	(187)
Net identifiable assets and liabilities	560
Purchase consideration - cash	417
Gain on bargain purchase	143

In the period since acquisition and to the 30th April, 2016, the above acquired companies contributed the following to Group sales and profits:

	Sales £'000	Profit/(loss) £'000
NRPL Aero Oy	1,028	226
Shenzhen King-Top Modern Hi-Tech Company Limited	385	(58)

GOODWIN PLC

COMPANY BALANCE SHEET

at 30th April, 2016

										2016	2015	2014
									Notes	£'000	£'000	£'000
NON-CURRENT ASSETS												
Property, plant and equipment	...	...	...	...	...	...	...	...	C5	19,519	15,313	12,142
Investment properties	...	...	...	...	...	...	...	...	C5	19,493	19,914	17,010
Investments	...	...	...	...	...	...	...	...	C6	22,441	24,122	17,112
Intangible assets	...	...	...	...	...	...	...	...	C4	944	404	524
										62,397	59,753	46,788
CURRENT ASSETS												
Other receivables	...	...	...	...	...	...	...	...	C7	46,109	34,601	29,363
Derivative financial assets	...	...	...	...	...	...	...	...		1,227	3,929	1,645
Cash at bank and in hand	...	...	...	...	...	...	...	...	C8	40	3,171	2,568
										47,376	41,701	33,576
TOTAL ASSETS	...	...	...	...	...	...	...	...		109,773	101,454	80,364
CURRENT LIABILITIES												
Interest bearing loans and borrowings	...	...	...	...	...	...	...	...	C10	8,220	186	2,296
Other payables	...	...	...	...	...	...	...	...	C9	6,428	11,317	9,611
Deferred consideration	...	...	...	...	...	...	...	...		500	500	500
Derivative financial liabilities	...	...	...	...	...	...	...	...		2,767	1,963	1,645
Liabilities for current tax	...	...	...	...	...	...	...	...		-	-	-
										17,915	13,966	14,052
NON-CURRENT LIABILITIES												
Interest bearing loans and borrowings	...	...	...	...	...	...	...	...	C10	18,369	16,926	7,174
Deferred tax liabilities	...	...	...	...	...	...	...	...	C11	1,869	1,768	1,560
										20,238	18,694	8,734
TOTAL LIABILITIES	...	...	...	...	...	...	...	...		38,153	32,660	22,786
NET ASSETS	...	...	...	...	...	...	...	...		71,620	68,794	57,578
EQUITY												
Called up share capital	...	...	...	...	...	...	...	...	C12	720	720	720
Hedge reserve	...	...	...	...	...	...	...	...	C13	(91)	(258)	(387)
Profit and loss account	...	...	...	...	...	...	...	...	C13	70,991	68,332	57,245
TOTAL EQUITY	...	...	...	...	...	...	...	...		71,620	68,794	57,578

These financial statements were approved by the Board of Directors on 28th July, 2016, and signed on its behalf by:

J. W. Goodwin
Director

R. S. Goodwin
Director

Company Registration Number: 305907

GOODWIN PLC

COMPANY CASH FLOW STATEMENT

for the year ended 30th April, 2016

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit from continuing operations after tax		5,708		14,136
Adjustments for:				
Depreciation		1,840		2,142
Amortisation of intangible assets		86		120
Impairment of intangible assets		-		237
Impairment of investments		2,294		-
Financial expenses		741		661
(Profit)/loss on sale of property, plant and equipment ...		(4)		97
Tax expense		(1,049)		(208)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		9,616		17,185
Decrease in other receivables		(10,457)		(3,214)
Decrease in other payables		(961)		(1,739)
CASH FLOW FROM OPERATING ACTIVITIES		(1,802)		12,232
Interest paid		(675)		(649)
Corporation tax paid		(114)		-
Interest element of finance lease obligations		(9)		(12)
NET (DEBT)/CASH FROM OPERATING ACTIVITIES		(2,600)		11,571
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		12	157	
Acquisition of intangible assets		(626)	-	
Acquisition of property, plant and equipment		(1,584)	(8,471)	
Additional payment for existing subsidiary		(583)	(7,247)	
Additional investment in associate companies		(30)	-	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,811)		(15,561)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of capital element of finance lease obligations ...		(185)	(167)	
Dividends paid		(3,049)	(3,049)	
Proceeds from loans and committed facilities		3,268	9,752	
Repayment of loans and committed facilities		(3,000)	-	
Finance fees		(100)	-	
NET CASH FROM FINANCING ACTIVITIES		(3,066)		6,536
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,477)		2,546
Cash and cash equivalents at beginning of year		3,171		625
CASH AND CASH EQUIVALENTS AT END OF YEAR (see note C8)		(5,306)		3,171

GOODWIN PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30th April, 2016

	Share capital £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total equity £'000
YEAR ENDED 30TH APRIL, 2016				
Balance at 1st May, 2015...	720	(258)	68,332	68,794
Total comprehensive income:				
Profit ...	-	-	5,708	5,708
Other comprehensive income:				
Net movements on cash flow hedges ...	-	167	-	167
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	167	5,708	5,875
Dividends paid ...	-	-	(3,049)	(3,049)
BALANCE AT 30TH APRIL, 2016	720	(91)	70,991	71,620
YEAR ENDED 30TH APRIL, 2015				
Balance at 1st May, 2014...	720	(387)	57,245	57,578
Total comprehensive income:				
Profit ...	-	-	14,136	14,136
Other comprehensive income:				
Net movements on cash flow hedges ...	-	129	-	129
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	129	14,136	14,265
Dividends paid ...	-	-	(3,049)	(3,049)
BALANCE AT 30TH APRIL, 2015	720	(258)	68,332	68,794

C1 Accounting policies

Principal accounting policies

These financial statements present information about the Company as an individual undertaking and not about its Group. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Basis of accounting

Goodwin PLC (the "Company") is a company incorporated and domiciled in the UK.

The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note C21.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – business combinations that took place prior to the date of transition have not been restated.
- The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1st May, 2014 for the purposes of the transition to FRS 101.

The consolidated financial statements of Goodwin PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from The Company Secretary, Goodwin PLC, Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25 of the Group financial statements.

The financial statements have been prepared under the historical cost accounting rules, except for derivatives which are valued at fair value, and in accordance with applicable Accounting Standards.

The Company is exempt under S408 (3) Companies Act 2006 from the requirement to present its own profit and loss account.

Investment in subsidiary undertakings

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off for impairment.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement within operating profit.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand including cash deposits with an original maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Recognition and valuation of equity instruments

Equity instruments are stated at par value. For ordinary share capital, the par value is recognised in share capital and the premium in the share premium reserve.

Recognition and valuation of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at their fair value less attributable transaction costs. They are subsequently carried at their amortised cost and finance charges and are recognised in the income statement over the term of the instrument using an effective rate of interest.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method where material.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

C1 Accounting policies *(continued)*

Derivative financial instruments and hedging *(continued)*

The fair value of forward exchange contracts is equal to the present value of the difference between the contractual forward price and the current forward price for the residual maturity of the contract. The Company being a non-trading holding company holds any such forward exchange contracts on behalf of its subsidiaries and as such any fair values on hand at the year end are accounted for through the respective inter company accounts.

Intangible fixed assets and amortisation

Manufacturing rights, brand names and customer lists purchased by the Company are amortised to nil by equal annual instalments over their estimated useful lives. Amortisation rates are as follows:

Manufacturing rights	...	...	...	...	15 years
Brand names	...	...	...	...	now fully amortised
Software and licences	...	...	...	...	4 years
Intellectual property rights	...	...	...	...	now fully amortised
Non-compete agreements	...	...	...	...	15 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of property, plant and equipment on the following bases:

Freehold land	...	...	...	...	...	Nil
Freehold buildings	...	...	...	...	...	2% to 4% on reducing balance or cost
Leasehold property	...	...	...	...	...	over period of lease
Plant and machinery	...	...	...	...	...	5% to 25% on reducing balance or cost
Motor vehicles	...	...	...	...	...	15% or 25% on reducing balance
Tooling	...	...	...	...	...	over estimated production life
Fixtures and fittings	...	...	...	...	...	15% to 25% on reducing balance

Assets in the course of construction are not depreciated.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of investment properties which is typically 25 years.

Government grants

Government grants relating to income are recognised in the income statement as a deduction from the expenses that they are intended to compensate.

Unamortised government grants relating to assets are recognised in the balance sheet as a deferred creditor. Amortisation of such grants is credited to profit and loss in accordance with the useful lives of the assets they relate to.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Leases

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial expenses

Financial expenses comprise interest payable, interest on finance leases using the effective interest method and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable is recognised in the income statement as it accrues.

C1 Accounting policies (continued)

Pension costs

The Company contributes to a defined contribution pension scheme for employees under an Auto Enrolment Pension arrangement as required by Government legislation. The assets of the scheme are held in independently administered funds. Company pension costs are charged to the income statement in the year for which contributions are payable.

Contributions to the schemes are made on a monthly basis, and at the end of the financial year there was one month's contributions outstanding, which were paid in the following month.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

New IFRS standards, amendments and interpretations not adopted

The IASB and IFRIC have issued additional standards and amendments which are effective for periods starting after the date of these financial statements. The following standards and amendments have not yet been adopted by the Company:

- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2017)
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1st January, 2018)
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (effective for annual periods beginning on or after 1st January, 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective for annual periods beginning on or after 1st January, 2016)
- Equity Method in Separate Financial Statements – Amendments to IAS 27 (effective for annual periods beginning on or after 1st January, 2016)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle Investment entities (effective for annual periods beginning on or after 1st January, 2016)
- Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods beginning on or after 1st January, 2016)
- Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1st January, 2016)
- Disclosure Initiative – Amendments to IAS 1 (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 16 Leases (Not yet endorsed. IASB effective date 1st January, 2019)

The Company has considered the impact of these new standards and interpretations in future periods on profit, earnings per share and net assets. None of the above standards or interpretations is expected to have a material impact.

C2 Profit for the financial year

The Company's profit for the financial year was £5,708,000 (2015: £14,136,000).

Included in profit before taxation are the following:

	2016 £'000	2015 £'000
Fees receivable by the auditors and their associates in respect of:		
Audit of these financial statements	16	16

Amounts paid to the Company's auditor in respect of service to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis (see note 3 of the Group accounts).

C3 Directors' costs

Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 19 to 21.

C4 Intangible fixed assets

		Brand names and Customer list £'000	Manu- facturing rights £'000	Software and Licences £'000	Intellectual property rights and Non- competes £'000	Total £'000
Cost						
Balance at 1st May, 2014	...	880	827	-	594	2,301
Additions		-	-	-	-	-
Balance at 30th April, 2015	...	880	827	-	594	2,301
Additions		-	-	102	524	626
Balance at 30th April, 2016		880	827	102	1,118	2,927
Amortisation						
Balance at 1st May, 2014	...	816	367	-	594	1,777
Amortisation for the year	...	64	56	-	-	120
Balance at 30th April, 2015	...	880	423	-	594	1,897
Amortisation for the year	...	-	56	20	10	86
Balance at 30th April, 2016		880	479	20	604	1,983
Net book value						
At 1st May, 2014		64	460	-	-	524
At 30th April, 2015		-	404	-	-	404
At 30th April, 2016		-	348	82	514	944

During the year, the Company paid £524,000 for a non-competes agreement connected with the acquisition of a Chinese lost wax investment powder company.

C5 Tangible fixed assets

		Investment properties	Property, Plant and Equipment				Total £'000
			Land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Assets in course of construction £'000	
		£'000					
Cost							
At 1st May, 2014...	...	18,356	1,166	16,369	1,788	727	20,050
Additions	...	2,924	-	5,043	504	-	5,547
Transfers	...	562	-	165	-	(727)	(562)
Disposals	...	-	-	(319)	-	-	(319)
At 30th April, 2015		21,842	1,166	21,258	2,292	-	24,716
At 1st May, 2015...	...	21,842	1,166	21,258	2,292	-	24,716
Additions	...	287	-	4,050	102	1,194	5,346
Disposals	...	-	-	(48)	-	-	(48)
At 30th April, 2016		22,129	1,166	25,260	2,394	1,194	30,014
Depreciation							
At 1st May, 2014...	...	1,346	534	6,090	1,284	-	7,908
Charged in year ...	...	582	24	1,390	146	-	1,560
Disposals	...	-	-	(65)	-	-	(65)
At 30th April, 2015		1,928	558	7,415	1,430	-	9,403
At 1st May, 2015...	...	1,928	558	7,415	1,430	-	9,403
Charged in year ...	...	708	23	932	177	-	1,132
Disposals	...	-	-	(40)	-	-	(40)
At 30th April, 2016		2,636	581	8,307	1,607	-	10,495
Net book value							
At 1st May, 2014	...	17,010	632	10,279	504	727	12,142
At 30th April, 2015 and 1st May, 2015		19,914	608	13,843	862	-	15,313
At 30th April, 2016 ...		19,493	585	16,953	787	1,194	19,519

The Company's investment properties have been valued using the cost model and depreciated over their estimated useful lives – typically 25 years. In the opinion of the Directors, the fair value of the investment properties as at 30th April, 2016 was in the region of £35 million (*2015: in the region of £34.5 million*). Fair value for this purpose is based on Level 3 fair value inputs and, specifically, the Directors' opinion as to the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction given a reasonable timeframe in which to conclude such an exchange.

		Shares in associated undertakings £'000	Shares in Group undertakings £'000	Total
C6 Fixed asset investments				
Cost				
At beginning of year	...	277	24,082	24,359
Additions	...	30	583	613
Cost at end of year	...	307	24,665	24,972
Impairment				
At beginning of year	...	-	237	237
Impairment during the year	...	-	2,294	2,294
Impairment at end of year	...	-	2,531	2,531
Net book value 30th April, 2016		307	22,134	22,441
Net book value 30th April, 2015		277	23,845	24,122

During the year, the Company partially impaired some of its overseas investments.

A list of principal subsidiaries and associates is given in note 11, and a list of non-principal subsidiaries and associates is given in note 26 of the Group financial statements.

C7 Debtors		2016 £'000	2015 £'000
Amounts owed by Group undertakings	...	44,809	34,360
Other debtors	...	439	-
Prepayments and accrued income	...	861	241
		46,109	34,601
C8 Cash and cash equivalents		2016 £'000	2015 £'000
Cash and cash equivalents per balance sheet	...	40	3,171
Bank overdrafts	...	(5,346)	-
Cash and cash equivalents per cash flow statement		(5,306)	3,171
C9 Other Payables		2016 £'000	2015 £'000
Amounts owed to Group undertakings	...	3,620	8,240
Other taxation and social security	...	220	252
Accruals and deferred income	...	2,588	2,825
		6,428	11,317

C10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing bank loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20 of the Group financial statements.

		2016 £'000	2015 £'000
Non-current liabilities			
Finance lease liabilities	...	3,239	65
Bank loans and committed facilities	...	15,130	16,861
		18,369	16,926
Current liabilities			
Finance lease liabilities	...	874	186
Bank loans and committed facilities	...	2,000	-
Bank overdrafts	...	5,346	-
		8,220	186

C10 Interest-bearing loans and borrowings (continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2016			2015		
	Minimum lease payments £'000	Interest £'000	Principal £'000	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	979	105	874	191	5	186
Between one and five years	3,433	194	3,239	68	3	65
	4,412	299	4,113	259	8	251

C11 Provisions for liabilities

Deferred taxation

	2016 £'000
At beginning of year	1,768
Debit to the profit and loss for the year	56
Debit to the hedging reserve for the year	45
At end of year	1,869

The elements of deferred taxation are as follows:

	2016 £'000	2015 £'000
Difference between accumulated depreciation and amortisation and capital allowances	1,889	1,833
Taxation on derivative financial instruments	(20)	(65)
	1,869	1,768

Within the current and previous year, the Company has no unrelieved tax losses.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1st April, 2014) and 20% (effective from 1st April, 2015) were substantively enacted on 2nd July, 2013. Further reductions to 19% (effective from 1st April, 2017) and to 18% (effective 1st April, 2020) were substantively enacted on 26th October, 2015. The deferred tax liability at 30th April, 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1st April, 2020) was announced in the Budget on 16th March 2016. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax liability at 30th April, 2016 by £104,000.

C12 Called up share capital

	2016 £'000	2015 £'000
Authorised, allotted, called up and fully paid:		
7,200,000 ordinary shares of 10p each	720	720

C13 Share capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £'000	Hedge reserve £'000	Profit and loss account £'000	2016 Total £'000	2015 Total £'000
At beginning of year	720	(258)	68,332	68,794	57,578
Net movement on cash flow hedges	-	167	-	167	129
Profit for the year	-	-	5,708	5,708	14,136
Dividends	-	-	(3,049)	(3,049)	(3,049)
At end of year	720	(91)	70,991	71,620	68,794

C14 Financial risk management

The Company's main financial exposures are with regards to its banking operations. The Company has in place risk management policies that seek to limit the adverse effects on the financial performance of the Company by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the Company.

C14 Financial risk management (continued)

a) Credit risk

The Company's financial assets are reflected in the table below, the carrying amounts of which represent the Company's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Similarly the other receivables are due from the UK Government and so again the credit rating is high.

The amount owed by Group undertakings is not considered to be a risk issue. Amounts owed are with subsidiary companies with good long-term prospects and no going concern issues.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

to credit risk at the reporting date was:										Carrying amount		
										Note	2016 £'000	2015 £'000
Other receivables	...	...	...	...	...	...	...	...	...	C7	439	-
Amounts owed by Group undertakings	...	...	...	...	...	...	...	...	...	C7	44,809	34,360
Cash at bank and cash equivalents	...	...	...	...	...	...	...	...	...		40	3,171
Derivative financial assets	...	...	...	...	...	...	...	...	...		1,227	3,929
											46,515	41,460

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At the year end the Company had the following unutilised bank facilities in respect of which all conditions precedent had been met:

	Uncommitted		Committed		Total	
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Unutilised bank facilities	10,933	28,640	18,961	5,000	29,894	33,640

The Company's principal borrowing facilities are provided by 4 banks in the form of borrowings and short-term overdraft facilities. The quantum of borrowing facilities available to the Company is reviewed regularly in light of current working capital requirements and the need for capital investment for the long-term future for the Company and the Group.

Maturity analysis

The table below analyses the Company's financial liabilities into maturity groupings based on the period outstanding at the balance sheet date up to the contractual maturity date. All figures are contracted gross cash flows that have not been discounted.

							2016			
							Contractual cash flows			Carrying
							Within	1-6 years	Total	value
							1 year			2016
							£'000	£'000	£'000	Total
										£'000
Non-derivative financial liabilities										
Bank loans and committed facilities	...	...	...	...	...	...	2,000	15,130	17,130	17,130
Overdrafts	...	...	...	...	...	...	5,346	-	5,346	5,346
Finance leases	...	...	...	...	...	...	980	3,433	4,413	4,113
Trade and other payables	...	...	...	...	...	...	2,809	-	2,809	2,809
Deferred considerations on acquisitions	...	...	...	...	...	...	500	-	500	500
Amounts due from Group undertakings	...	...	...	...	...	...	3,620	-	3,620	3,620
Total							15,255	18,563	33,818	33,518

The 30th April, 2016 bank loans and committed facilities are repayable as follows: bank overdraft on demand £5.3 million, £2 million within year end 30th April, 2017, £2 million within year end 30th April, 2018, £6 million within year end 30th April, 2019, £1 million within year end 30th April, 2020 and £6 million within year end 30th April, 2021. The interest rates chargeable on these loans are on a floating basis against LIBOR.

C14 Financial risk management (continued)

b) Liquidity risk (continued)

b) Liquidity risk (continued)									
</									

c) Market risk

Interest rate risk

The Company is subject to fluctuations in interest rates on its borrowings and surplus cash. The Company is aware of the financial products available to ensure against adverse movements in interest rates. Reviews are undertaken to determine whether such instruments are appropriate for the Company. During the year, no new interest rate swaps or caps were entered into.

The Company has taken out in previous years £5 million of interest rate protection in the form of swaps which expire in October 2016.

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non interest bearing.

	Fixed rate		Floating rate		Non interest bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	40	3,171	-	-	40	3,171
Other receivables	-	-	44,809	32,720	1,666	5,569	46,475	38,289
Other payables	-	-	(3,620)	(8,240)	(3,309)	(3,577)	(6,929)	(11,817)
Bank overdrafts	-	-	(5,346)	-	-	-	(5,346)	-
Bank loans and committed facilities	-	-	(17,130)	(16,861)	-	-	(17,130)	(16,861)
Finance lease liabilities	(4,113)	(251)	-	-	-	-	(4,113)	(251)
Total	(4,113)	(251)	18,753	10,790	1,643	1,992	12,997	12,531

Other receivable and other payables include derivatives and inter company balances.

d) Capital management

The Company's main objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders. The Board maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Operations are funded through shareholders' funds, bank debt, finance leases and, where appropriate, deferred consideration on acquisitions. The capital structure of the Company reflects the judgement of the Board as to the appropriate balance of funding required. At 30th April, 2016, the capital used was £98.7 million, (2015: £83.2 million) as shown in the following table:

										2016 £'000	2015 £'000
Cash and cash equivalents	...	...	...	...	...	...	...	...	...	(40)	(3,171)
Finance leases	...	...	...	...	...	...	...	...	...	4,113	251
Bank loans and committed facilities	...	...	...	...	...	...	...	...	...	17,130	16,861
Overdrafts	...	...	...	...	...	...	...	...	...	5,346	-
Deferred consideration	...	...	...	...	...	...	...	...	...	500	500
Net debt										27,049	14,441
Total equity attributable to equity holders of the parent										71,620	68,794
Capital										98,669	83,235

C14 Financial risk management *(continued)*

d) Capital management *(continued)*

The Company aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Company's strategy is to target a medium-term debt to equity ratio below 30%, adjusted where appropriate for the effect of acquisitions. At 30th April, 2016 net debt was £27.0 million (2015: £14.4 million).

The Company manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

The policy for debt is to ensure a smooth debt maturity profile with the objective of ensuring continuity of funding. The repayment profile for the debt is shown in note 20(b) of the Group financial statements.

There were no changes in the Company's approach to capital management during the year.

Currency derivatives

The Company utilises currency derivatives to hedge future transactions and cash flows on behalf of its subsidiary companies. The full impact of these derivatives is considered in note 20 (d) of the Group financial statements.

Interest rate swaps

The Company uses interest rate swap contracts to manage its exposure to interest rate movements on its bank borrowings. The nominal value of these contracts at the year end was £5 million (2015: £5 million).

The fair value of swaps entered into at 30th April, 2016 was estimated at £111,000 liability (2015: £323,000 liability). Of these swaps, the fair value of those designated as cash flow hedges at 30th April, 2016 was £111,000 liability (2015: £323,000 liability).

e) Total financial assets and liabilities

The table below sets out the Company's accounting classification of each class of financial assets and liabilities, and their fair values at 30th April, 2016 and 30th April, 2015.

					30th April, 2016		30th April, 2015	
					Carrying amount	Fair value	Carrying amount	Fair value
					£'000	£'000	£'000	£'000
Financial assets								
Cash and cash equivalents	...	...	...	...	40	40	3,171	3,171
Receivables								
Derivative financial assets	...	...	...	...	1,227	1,227	3,929	3,929
Other receivables	...	...	...	...	46,109	46,109	34,601	34,601
Total financial assets					47,376	47,376	41,701	41,701
Financial liabilities								
Financial liabilities at amortised cost								
Other payables	...	...	...	...	6,428	6,428	11,317	11,317
Deferred consideration	...	...	...	...	500	500	500	500
Derivative financial liabilities	...	...	...	...	2,767	2,767	1,963	1,963
Finance lease liabilities	...	...	...	...	4,113	4,113	251	251
Bank loans and committed facilities	...	...	...	...	17,130	17,130	16,861	16,861
Overdraft	...	...	...	...	5,346	5,346	-	-
Deferred tax	...	...	...	...	1,869	1,869	1,768	1,768
Total financial liabilities					38,153	38,153	32,660	32,660

Derivative financial assets and liabilities fair values in the above table are derived using Level 2 inputs as defined by IFRS 7 as detailed in the paragraph below. All other financial assets and liabilities fair values are determined using Level 3 inputs.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

C14 Financial risk management *(continued)*

e) Total financial assets and liabilities *(continued)*

For short-term cash and cash equivalents, trade and other receivables, trade and other payables and floating rate borrowings, the fair values are the same as carrying value. For fixed rate borrowings, forward currency contracts and interest rate instruments fair values have been calculated by discounting the cash flows at prevailing appropriate market rates. Other assets reflect management's estimate of value on an appropriate basis.

C15 Contingent liabilities

The Company is jointly and severally liable for value added tax due by other members of the Group amounting to £Nil (2015: £Nil).

C16 Related Party Transactions

The compensation of key management personnel is disclosed within the Directors' Remuneration note on page 21 of the Group financial statements.

Transactions and balances with Group undertakings are summarised below:

		Highest during the year £'000	2016 £'000	Highest during the year £'000	2015 £'000
Amounts due from Group undertakings	...	44,809	44,809	34,360	34,360
Amounts due to Group undertakings	...	(3,620)	(3,620)	(8,240)	(8,240)

Transactions with Group undertakings comprise loan movements, management charges and dividend receipts.

C17 Commitments

Contracted capital commitments at 30th April, 2016 for which no provision has been made in these financial statements were £1,497,000 (2015: £3,852,000).

C18 Subsequent events

Apart from the dividends declared of £3,049,000 which have not been provided for within these financial statements, no significant events have occurred after the balance sheet date.

On the 23rd June 2016 the UK voted to leave the European Union. The likely impact of this decision has been discussed within the principal risks and uncertainties section of the Group Strategic Report on page 6.

C19 Dividends

	2016 £'000	2015 £'000
Paid ordinary dividends during the year in respect of prior year		
42.348p (2015: 42.348p) per qualifying ordinary share	3,049	3,049
	3,049	3,049

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors (2015: Ordinary dividend of 42.348p).

The proposed current year ordinary dividend of £3,049,000 has not been provided for within these financial statements (2015: Proposed ordinary dividend of £3,049,000 was not provided for).

C20 Accounting estimates and judgements

The material accounting estimates and judgements for the Company follow that of the Group which have been considered in note 25 on page 55 of the Group financial statements.

C21 Explanation of transition to Adopted IFRSs

As stated in note C1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note C1 have been applied in preparing the financial statements for the year ended 30th April, 2016, the comparative information presented in these financial statements for the year ended 30th April, 2015 and in the preparation of an opening FRS 101 balance sheet at 1st May, 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

C21 Explanation of transition to Adopted IFRSs (continued)

		Explanation of transition to Adopted IFRSs					
		1st May, 2014			30th April, 2015		
		Effect of transition			Effect of transition		
		UK GAAP	to Adopted IFRSs	Adopted IFRSs	UK GAAP	to Adopted IFRSs	Adopted IFRSs
Note		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Property, plant and equipment	a	29,152	(17,010)	12,142	35,227	(19,914)	15,313
Investment properties	a	-	17,010	17,010	-	19,914	19,914
Intangible assets		524	-	524	404	-	404
Other financial assets		17,112	-	17,112	24,122	-	24,122
Total non-current assets		46,788	-	46,788	59,753	-	59,753
Current assets							
Trade and other receivables		29,363	-	29,363	34,601	-	34,601
Derivative financial assets		1,645	-	1,645	3,929	-	3,929
Cash and cash equivalents		2,568	-	2,568	3,171	-	3,171
Total current assets		33,576	-	33,576	41,701	-	41,701
Total assets		80,364	-	80,364	101,454	-	101,454
Current liabilities							
Bank overdraft		1,943	-	1,943	-	-	-
Other interest-bearing loans and borrowings		353	-	353	186	-	186
Trade and other payables		9,611	-	9,611	11,317	-	11,317
Deferred consideration		500	-	500	500	-	500
Derivative financial liabilities		1,645	-	1,645	1,963	-	1,963
Total current liabilities		14,052	-	14,052	13,966	-	13,966
Non-current liabilities							
Other interest-bearing loans and borrowings		7,174	-	7,174	16,926	-	16,926
Deferred tax liabilities	b, c	612	948	1,560	833	935	1,768
Total non-current liabilities		7,786	948	8,734	17,759	935	18,694
Total liabilities		21,838	948	22,786	31,725	935	32,660
Net assets		58,526	(948)	57,578	69,729	(935)	68,794
Equity							
Share capital		720	-	720	720	-	720
Cash flow hedging reserve		(387)	-	(387)	(258)	-	(258)
Retained earnings	b, c	58,193	(948)	57,245	69,267	(935)	68,332
Total equity		58,526	(948)	57,578	69,729	(935)	68,794

a) Property owned by the parent and occupied by a Group undertaking should be treated as investment property in the owner's individual financial statements if it meets the definition of investment property under IFRS. As a result, properties held by the parent Company that are leased to Group undertakings have been re-classified as investment properties and are recognised under the cost model as set out in IAS 40 – Investment Properties.

b) UK GAAP and IFRS adopt different approaches to the calculation of deferred tax on the abolition of Industrial Building Allowances (IBA's). Under UK GAAP, at the time of abolition both the net book value of assets together with their tax written down values are removed from the deferred tax calculation.

Under IFRS, the net book value of assets at the point of abolition remains, whereas the associated tax written down value is removed. The impact of converting from UK GAAP to IFRS as at 30th April, 2015 is a charge against profits of £729,000 (1st May, 2014: £742,000).

C21 Explanation of transition to Adopted IFRSs *(continued)*

- c) Under IFRS, there is a requirement to provide for a deferred tax liability on rolled over capital gains. Under UK GAAP there is no requirement to provide for such a liability if it is unlikely an actual tax liability will crystallise. The impact of converting from UK GAAP to IFRS as at 30th April, 2015 is an additional liability of £206,000 (*1st May, 2014: £206,000*).

Because of items b) and c), there is an increase to the tax charge of £935,000 flowing through the profit and loss account for the year ended 30th April, 2015. There are no other transitional changes impacting on the 30th April, 2015 profit and loss position.

■ FIVE YEAR FINANCIAL SUMMARY ■

								2012	2013	2014	2015	2016
								£'000	£'000	£'000	£'000	£'000
<i>Continuing operations</i>												
Revenue...	...	...	...	...	...	...	...	107,911	126,964	130,828	127,049	123,539
Profit before taxation	...	...	...	...	...	...	...	12,273	20,296	24,095	20,053	12,314
Tax on profit	...	...	...	...	...	...	...	(2,938)	(4,609)	(4,448)	(4,601)	(3,376)
Profit after taxation	...	...	...	...	...	...	...	9,335	15,687	19,647	15,452	8,938
Basic and diluted earnings per ordinary share							...	124.33p	211.76p	264.38p	208.68p	122.75p
Total equity	...	...	...	...	...	...	...	48,708	62,527	77,570	86,522	90,117