

GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT



DIRECTORS REPORT AND ACCOUNTS

30th APRIL 2019

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GOODWIN PLC

www.goodwin.co.uk

Registered in England and Wales, Number 305907

Established 1883

<i>Directors:</i>		
T. J. W. Goodwin (Chairman)	M. S. Goodwin (Managing Director) Mechanical Engineering Division	S. R. Goodwin (Managing Director) Refractory Engineering Division
J. Connolly	S. C. Birks	B. R. E. Goodwin
		J. E. Kelly (Non-Executive Director)

Secretary and registered office:
Mrs. J. L. Martin, L.L.B., A.C.I.S.
Ivy House Foundry, Hanley,
Stoke-on-Trent, ST1 3NR

Registrar and share transfer office:
Computershare Investor Services PLC,
The Pavilions, Bridgwater Road,
Bristol, BS99 6ZZ

Auditor:
KPMG LLP,
One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

NOTICE IS HEREBY GIVEN that the EIGHTY-FOURTH ANNUAL GENERAL MEETING of the Company will be held at 10.30am on Wednesday, 2nd October, 2019 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, 2019.
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 re-affirm the appointment of Mr. T. J. W. Goodwin as Chairman.
7. To re-affirm the appointment of Mr. M. S. Goodwin as Managing Director of the Mechanical Engineering Division.
8. To re-affirm the appointment of Mr. S. R. Goodwin as Managing Director of the Refractory Engineering Division.
9. To re-affirm the position of Mrs. J. E. Kelly, Non-Executive Director, as Chair of the Audit Committee.
10. To re-affirm the position of Mr. J. W. Goodwin as member of the Audit Committee.
11. To re-affirm the position of Mr. R. S. Goodwin as member of the Audit Committee.
12. To re-affirm the position of Mrs. P. Ashley as member of the Audit Committee.
13. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 30th April, 2019, as stated on pages 25 to 29 of the Directors' Report.
14. To approve the Directors' Remuneration Policy, the full text of which is set out on pages 22 to 24 of the Directors' Report.
15. To re-appoint KPMG LLP as auditor and to authorise the Directors to determine their remuneration.

By Order of the Board

J. L. Martin
Secretary

Registered Office:
Ivy House Foundry,
Hanley, Stoke-on-Trent
22nd August, 2019

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 30th September, 2019.
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 10.30am on 30th September, 2019 (or, in the event of any adjournment, 10.30am 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 21st August, 2019 (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 22nd August, 2019 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 has a service contract with the Company.
11. If approved by shareholders the ordinary dividends will be paid to shareholders on 4th October, 2019.

GOODWIN PLC

CHAIRMAN'S STATEMENT

I am pleased to report a like-for-like 11% increase in pre tax profits to £14.7 million (*2018: £13.3 million*), see note 3 for clarification. Revenue of £127 million (*2018: £125 million*) is up 1.8% on the figures reported for the same period in the last financial year. The Directors propose an increased dividend of 96.21p (*2018: 83.473p*), a 15.3% increase.

Furthermore, I am also delighted to confirm that we have seen a significant rise in the level of sales order input within our Mechanical Engineering Division. Whilst some individual elements would not be notifiable the aggregation is significant for the Group. With this exceptional input, I am able to confirm that, at the time of writing, the Group order input since the start of the new financial year stands at £93 million and the total forward order book stands at a record £165 million (*July 2018: £85 million*), a 94% increase from this time last year, with yet more large long-term contracts, that we have been targeting over the past few years, still to be placed.

Due to contractual requirements the Company cannot divulge all successes in relation to the significant increase in order intake. However, we can confirm that several orders have multi-year delivery requirements and the Board foresees little risk in executing them, as they utilise the respective companies' core strengths within Goodwin Steel Castings and Goodwin International.

Of particular note in the Mechanical Engineering Division, Goodwin Steel Castings has undergone major change, not only in returning to profitability in the year but also completing its extensive upgrade programme that gives it increased weight capability (casting up to 35 tonnes net weight castings in impact-resistant carbon, stainless and duplex stainless steels) and puts it in a unique global position. With the work that they have gone out and won internationally to date, which is now starting to be delivered, they will never again be as reliant on the petrochemical industry. One such multi-million dollar order Goodwin Steel Castings has received is for cast and machined radiation shielding containment vessels for the USA nuclear decommissioning market.

Easat Radar Systems reported a loss due to lack of throughput and excessive work in progress (WIP) over the year, combined with contract delays whilst working to finalise an off-the-shelf radar system for a major customer. The final documentation approvals for this are all but complete now, which should allow for a reduction in approximately £5 million of WIP this current year as radar systems are shipped.

Over the past decade, Goodwin International has worked closely with world leading valve stockist, RP Valves, who have stocked and re-sold Goodwin dual plate valves. We are pleased to announce that RP Valves has placed a multi-million pound order for axial valves with Goodwin International. By RP Valves ordering premium specification product in bulk at their risk, only selling single items to customers when they have a requirement, it will increase Goodwin's overall axial valve sales in the future as this will lead to Goodwin product being utilised for MRO (Maintenance, Repair and Operational) work, which seldom happens for axial valves, normally due to the project based nature of the business.

Utilising a beneficial twenty year fixed borrowing rate of 1.89%, that was available as a result of the European economic conditions during the year, Noreva took the opportunity to stop renting and purchased the 1.85 acre site that the company is situated on in Mönchengladbach, Germany.

Our Refractory Engineering Division has maintained the significant increase in market share in the investment casting powder sector that it gained last financial year when its major competitor Kerr ceased manufacture. Whilst operating profits in April 2019 have risen only 7.2% compared to April 2018, we will start to see sales within the new financial

CHAIRMAN'S STATEMENT *(continued)*

year of the 'Silica Free' investment powder technology, for which a patent application was filed in April 2019, with early adopters likely to be the more western countries. This new technology will enable the division to further grow its global market share and help further increase its gross margins in years to come.

The global awareness of the risks of lithium battery fires and requirement for a solution continues to grow. Within the year, Dupré Minerals has put in place a manufacturing agreement with a French company that will manufacture AVD fire extinguishers for Europe.

During the financial year, Goodwin PLC signed an agreement to purchase a 26% minority interest in Jewelry Plaster (Thailand), converting it into a 75% owned subsidiary. We also acquired a further 24% equity in Ultratec (China) and in SRS QD (China) making these 75% owned subsidiaries. We would like to thank our departing Thai equity partner for his efforts in growing these overseas subsidiaries.

Our current working capital as a percentage of revenue is the same as the Group average has been for the last 10 years, resulting in modest gearing of 20% (2018: 11%), despite the high work in progress values within Easat.

We continue to retain, train and develop our employees, with a new cohort of 25 apprentices starting in the Goodwin Engineering Training Centre later this year. The Training Centre is now on the UK register of Learning Providers as well as being approved by the necessary exam boards. With these accreditations in place, the apprenticeship levy on the Group's UK wage bill can now start to be offset against its running costs. We recognise the importance of nurturing talent and bringing highly capable people either through or into the business, as with record low unemployment levels in the UK, we are continuing with our strategy to ensure that we have the right people with the right skill sets to competently execute the work as we grow.

The Board would like to thank John Goodwin and Richard Goodwin, following their retirement from the Board, for their achievement in leading the Company over the past twenty-seven years as Chairman and Managing Director respectively. Over this period the Group's annual pre tax profits increased thirty-three fold and benefitted from the addition of seventeen new subsidiaries, fifteen of which are overseas and the majority of which are located in high growth developing countries. Over the three year period ending 30th April, 2019, the overseas companies have contributed in excess of 50% of pre tax profits, thus emphasising their importance to the Group, from what were small beginnings. The Board is pleased that John and Richard's extensive knowledge will not be lost to the Group as they remain members of the Audit Committee.

Due to the diversity of the business and the global reach, the Board has decided to split the role of Managing Director between Mechanical Engineering and Refractory Engineering, such that appropriate focus and energy can be applied to continue growing these two important but quite different divisions.

Matthew, Simon and I are pleased to have the opportunity to serve as the new Mechanical Engineering Division Managing Director, Refractory Engineering Division Managing Director and Chairman, working with the rest of the Board and Senior Management to carry on driving the Company forwards, for the benefit of all stakeholders.

The Board is once again indebted to our employees and former members of the Board for their devotion to the Group's long-term performance. It is as a result of their outstanding work ethic that the Group has never before been in such a favourable position.

22nd August, 2019

T. J. W. Goodwin
Chairman

Alternative performance measures mentioned above are defined in note 36 on page 82.

GOODWIN PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 30th April, 2019

	Notes	2019 £'000	2018 £'000
CONTINUING OPERATIONS			
Revenue	3, 4, 5	127,046	124,811
Cost of sales		(86,414)	(89,143)
GROSS PROFIT...		40,632	35,668
Other income	6	-	1,602
Distribution expenses		(3,016)	(3,359)
Administrative expenses		(21,205)	(20,331)
OPERATING PROFIT	3	16,411	13,580
Financial expenses	8	(234)	(590)
Share of profit of associate companies	14	233	310
PROFIT BEFORE TAXATION	3, 6	16,410	13,300
Tax on profit	9	(3,963)	(3,865)
PROFIT AFTER TAXATION...	3	12,447	9,435
ATTRIBUTABLE TO:			
Equity holders of the parent		11,505	8,504
Non-controlling interests		942	931
PROFIT FOR THE YEAR	3	12,447	9,435
BASIC EARNINGS PER ORDINARY SHARE	10	159.79p	118.11p
DILUTED EARNINGS PER ORDINARY SHARE	10	149.65p	118.11p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30th April, 2019

	2019 £'000	2018 £'000
PROFIT FOR THE YEAR	12,447	9,435
OTHER COMPREHENSIVE (EXPENSE) / INCOME ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:		
Foreign exchange translation differences	(383)	(152)
Goodwill arising from purchase of minority interest in subsidiaries	(772)	-
Effective portion of changes in fair value of cash flow hedges	(644)	(294)
Change in fair value of cash flow hedges transferred to profit or loss	180	5,108
Effective portion of changes in fair value of cost of hedging	(489)	-
Change in fair value of cost of hedging transferred to profit or loss... ..	49	-
Tax credit / (charge) on items that may be reclassified subsequently to profit or loss	154	(818)
OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR, NET OF INCOME TAX	(1,905)	3,844
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,542	13,279
ATTRIBUTABLE TO:		
Equity holders of the parent	9,528	12,245
Non-controlling interests	1,014	1,034
	10,542	13,279

The full financial statements and accompanying notes are on pages 39 to 92.

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, whilst at all times taking appropriate steps to ensure the health and safety of our employees and customers;
- 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/2019.

Mechanical Engineering

The Group designs, manufactures and sells a wide range of dual plate check valves, axial nozzle check valves and axial piston control and isolation valves to serve the oil, petrochemical, gas, liquefied natural gas (LNG) and water markets. We generate value by creating leading edge technology designs, globally sourcing the best quality raw material at good prices, manufacturing in highly efficient facilities using up to date technology to provide 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, Goodwin Steel Castings, has the capability to pour high performance alloy castings up to 35 tonnes, radiograph and also finish CNC machine and fabricate them at the foundry's sister company, Goodwin International. This capability is targeting the defence industry and nuclear decommissioning, the oil and gas industry, as well as large, global projects requiring high integrity machined castings.

Goodwin International, the largest company in the mechanical engineering division, not only designs and manufactures dual plate check valves, axial nozzle check valves and axial piston control and isolation valves but also undertakes specialised CNC machining and fabrication work for nuclear decommissioning projects. Goodwin International also has a division that is focussed on manufacturing / machining high precision, high integrity components for naval marine vessels. Noreva GmbH also designs, manufactures and sells axial nozzle check valves. Both Goodwin International and Noreva purchase the majority of the value 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, Australia and Africa. Easat Radar Systems (Easat) and its subsidiary, NRPL, design and build bespoke high-performance radar antenna systems for the global market of major defence contractors, civil aviation authorities and border security agencies. Easat has a sister company, Easat Radar Systems India, that also manufactures, sells and maintains radar systems for air traffic control. We create value on these by innovative design, assembly and testing in our own facilities using bought in or engineered in-house components.

OBJECTIVES, STRATEGY AND BUSINESS MODEL *(continued)*

Refractory Engineering

Within the refractory engineering division, Goodwin Refractory Services (GRS) primarily generates value from designing, manufacturing and selling investment casting powders, waxes and silicon rubber to the jewellery casting industry. GRS also manufactures and sells investment casting powders to the tyre mould and aerospace industries. The refractory engineering division has six other investment powder manufacturing companies located in China, India, Thailand and Brazil which sell the casting powders directly and through distributors to the jewellery casting industry.

These companies are vertically integrated with another of our UK companies, Hoben International, which manufactures cristobalite, which it sells to the seven casting powder manufacturing companies as well as producing ground silica that also goes into casting powders. Hoben International now also manufactures different grades of perlite.

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 technical textiles that can withstand exposure to high temperatures and for lithium battery fire extinguishers. Dupré also sells consumable refractories to the shell moulding casting industry.

BUSINESS DIVERSITY AND PERFORMANCE

As can be seen in note 4 to these financial statements, in the year to 30th April, 2019 the refractory engineering division generated 40% of the Group's operating profits and the mechanical engineering division 60%. We had predicted that the 50/50 split, that was seen last year, would likely be maintained in the financial year we have just completed, before it reverted to 40/60. The refractory division did increase its trading profits by 7.2%, but the significant slow down in China associated with the USA-Chinese trade dispute prevented our normal growth of 20%. The mechanical engineering division increased its trading profits by 44%, this being associated with significant improvement in the performance of our Indian pump company and the foundry achieving a profit rather than a loss, as had been seen in the prior two years.

From the geographical segmentation report on page 58 of these Accounts it can be seen that the revenue is fairly evenly spread between the Pacific Basin Countries, UK, Rest of Europe and Rest of World. The rest of Europe figure includes the sales from Noreva, our valve company based in Germany and from NRPL, our radar transceiver company based in Finland. The sales into the USA are relatively low at 6% but over the next two years we expect this to grow significantly with sales to marine and air traffic control customers, which should further enhance the diversity of our territorial market spread.

KEY PERFORMANCE INDICATORS

The key performance indicators for the business are listed below:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross profit as a % of revenue	28.5	29.9	27.3	28.5	31.9	34.3	32.5	27.8	25.6	28.6	32.0
Profit before tax (in £ millions)	13.1	13.3	8.1	12.3	20.3	24.1	20.1	12.3	9.2	13.3	14.7*
Gearing % (excluding deferred consideration)	(1.5)	1.8	22.1	25.9	23.3	5.0	11.7	25.6	31.4	10.8	20.0
Sales per employee per year (in £'000)	128.4	112.4	105.5	113.7	125.7	124.1	111.8	105.4	114.0	119.8	117.4
Dividends proposed (in £ millions)	4.0	2.0	2.1	2.3	3.8	3.0	3.0	3.0	3.0	6.0	6.9

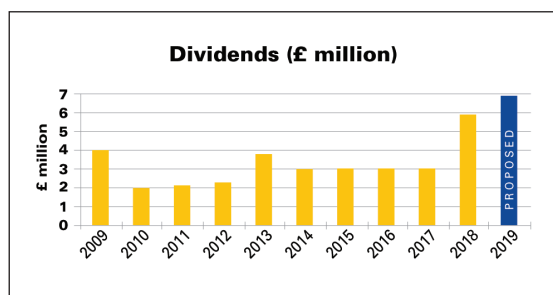
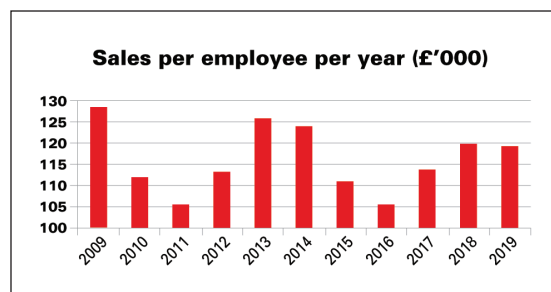
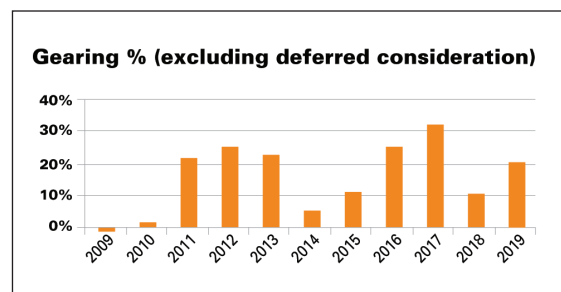
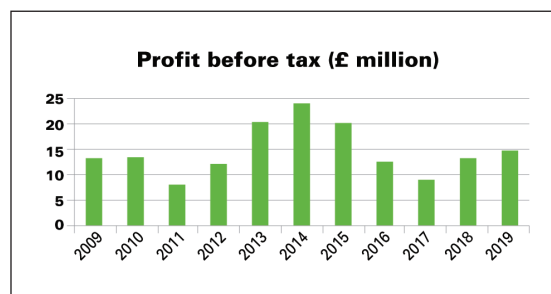
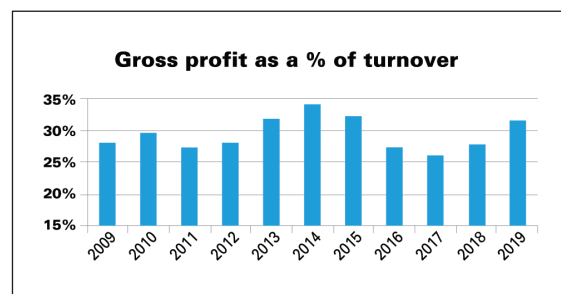
*See note 3.

Alternative performance measures mentioned above are defined in note 36 on page 82.

The alternative performance measures are important to management and the readers of the Annual Report in assessing the Group's performance and benchmarking it within its respective industries.

OBJECTIVES, STRATEGY AND BUSINESS MODEL *(continued)*

KEY PERFORMANCE INDICATORS *(continued)*



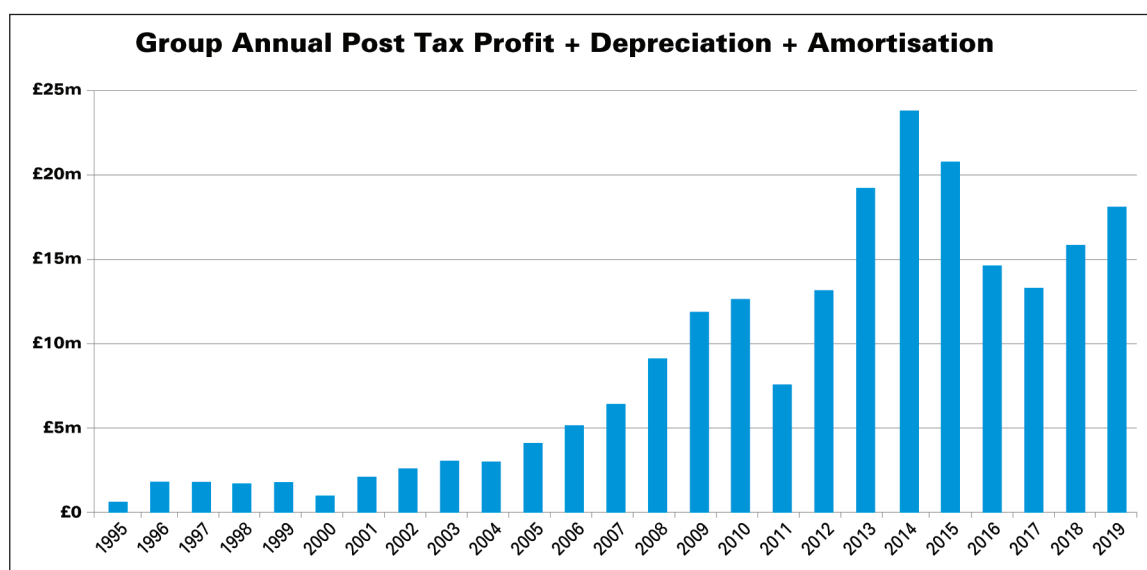
OBJECTIVES, STRATEGY AND BUSINESS MODEL *(continued)*

DIVIDEND POLICY

The dividend policy to pay 38% of post tax profits plus depreciation and amortisation remains unchanged from last year. As detailed in the 2018 Annual Report, historically only 20% of post tax profits plus depreciation and amortisation has been paid to the shareholders of the company over the last twenty years. The proposed 2019 dividend, that is to be voted on at the Annual General Meeting, has been calculated using the Group's adjusted profit after taxation figure, excluding the £1.35 million IFRS 15 impact, as reported in note 3 to these financial statements.

The Group's strong ability to generate cash, coupled with the Board's policy to limit its investments, provides it with the capability to sustainably fund future payments.

Starting from 1st May, 2019 investment decisions relating to designing and developing new products, buying technologically advanced manufacturing plant and machinery, setting up overseas sales organisations and companies and/or buying complementary or competitive companies will be limited to a maximum of 55% of post tax profits plus depreciation and amortisation on a three year rolling annual average.



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 4 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 as was seen over the past three financial years. 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 not only from the worldwide energy markets but also from naval marine applications, military ship building, vermiculite and perlite to the insulating and fire prevention industry and the jewellery consumer market that our investment casting powder companies indirectly supply through the supply of investment casting moulding powders, waxes and silicone rubber.

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 research and development 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 and the purchase of product liability insurance. The risk of product obsolescence is countered by research and development investment.

Supply chain and equipment risk: Failure of a major supplier or essential item of equipment presents a constant risk of disruption to the manufacturing in progress. Where reasonably possible, management mitigates and controls the risk with the use of dual sourcing, continual maintenance programmes, and by carrying adequate levels of stocks and spares to reduce any disruption.

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 27 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 ensure we comply with the relevant laws and regulations.

Assessment of principal risks: Changes and likely impact: 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 19 to 21.

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

The Board's assessment of the impact of Brexit on the Group

Brexit is not seen as a significant issue to the Group. We envisage minimal overall effect in the long-term within our trading companies, as the majority of our trade has little direct interaction within Europe. A significant proportion of our reported revenue to Europe, as set out within note 4, relates to bespoke capital contracts that typically are installed into projects not within the EU, despite the customer being resident in the EU. Our UK imports are not required on a just in time basis nor are they reliant on EU suppliers. Raw materials are primarily sourced from vendors outside of the EU due to cost-effectiveness, with EU suppliers being a dual source for the supply of critical items.

Furthermore, a growing proportion of the Group's workload consists of the supply of niche UK based capabilities into long-term, strategically critical programmes located in the UK and the US where, regardless of the Brexit outcome, both countries remain committed to playing a key role in domestic and global security. Nonetheless, the Board continually monitors and assesses the potential risks of Brexit, by regularly consulting on the matter with the Group's management, suppliers, customers and reviewing and considering the diverse opinions, written by many commentators, be they either for or against Brexit.

We see the impact of a no deal Brexit as a positive for the Group. In this scenario, whilst we would accept that the reversion to default WTO tariff rates may impact negatively on our cost base, the Group is 70% an exporter to ultimate customers outside Europe. The weakening of Sterling, that would be likely to happen as a result, would further enhance the impact of our growing overseas companies' profitability, and our ability to increase exports.

The below table details if and how various Brexit risks will impact the Group's business model, performance, solvency or liquidity.

Specific Risks

Potential Risks	Explanation of the Board's assessment of the potential impact	Mitigation / Management
Supply Chain Friction	The majority of products supplied into Europe are consumables. Whilst customs issues may cause some delays the goods supplied are relatively low value and customers would build up stocks. We also have the ability to supply these products from Thailand, China, India or Brazil should the need arise to circumnavigate any possible issues. For products supplied from Europe to our UK subsidiaries, in all cases we have a viable non-EU dual source option.	The Group has built flexibility to respond to changes in the operating environment by assessing supplier readiness, investigating alternative domestic supply, globally dual sourcing and increasing logistics options.
Effect of changes in import / export taxes	With the Group's widespread customer base and local manufacturing structure, if World Trade Organisation (WTO) tariffs are imposed the impact is not anticipated to be material to the Group's results. We expect that any increased costs will likely be offset by the further devaluation of the pound Sterling (the positive impact on sales prices would exceed the impact of adverse movements in the cost base), where our imports generally represent 35% of our total costs to manufacture in the UK.	Management of customers' expectations and contract negotiation to protect against incremental costs and potential contractual delays. Over the next seven years we expect that the UK / US trading relationship tariffs to be a far higher agenda item than the UK's relationship with Europe.

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

The Board's assessment of the impact of Brexit on the Group *(continued)*

General Risks

Potential Risks	Explanation of the Board's assessment of the potential impact	Mitigation / Management
Macro Economic	In the event of a no deal Brexit, further currency devaluation will only aid the Group's global competitiveness and increase the reported net worth and the Sterling value of dividend receivables from the overseas companies.	It is the Group's policy to hedge material transaction based currency exchange exposures.
Movement of Labour	The Group is not dependent on low skilled labour and it will not be affected by its shortage in the event that the movement of EU citizens is restricted.	We continue with our 25 per year apprentice hiring programme, which has local accolade.
Regulatory and Policy	With the Group's product offerings and the commencement of major UK and US programmes, the Board considers the Group is well protected against regulatory change and the loss of market access upon which other businesses may be reliant.	N/A
Tax	The Group does not rely on double taxation treaties and cash flow impacts as a result of potential changes in VAT are insignificant.	Regular assessment and sensitivity testing.
Financing	Liquidity risks are mitigated with the use of three independent banks, committed facilities, and staggered renewal dates (see note 27).	The Board has assessed the Company's banks' health and continually monitors their Brexit exposure and strategy.

The Brexit related sensitivity or scenario testing has not indicated that there are any impairment, viability or going concern issues.

CORPORATE SOCIAL RESPONSIBILITY

Greenhouse Gas (“GHG”) emissions

Environmental pollution and emissions are a major challenge across all manufacturing, specifically steel foundries.

More than 70% of Goodwin PLC’s greenhouse gas (GHG) emissions are geogenic in that they were released during processes of melting steel.

With the foundry returning to profitability, the Group has seen a substantial increase, nearly double, in production of advanced steels using nitrogen, the processing of which has involved higher N₂O affecting our scope 1 direct emissions. Nonetheless the direct scope 1 emissions has been limited to a 16% increase, down 28% versus four years ago when turnover was at a similar level.

Understanding the context is essential to comprehend the impact to the wider society and the global effort to curb climate change.

The products supplied by the foundry to the global energy generation markets are at the forefront of technology that benefits its users via the dramatically reduced emission levels at which energy can be generated within the modern turbines and power generation equipment that can be built with Goodwin products.

Nonetheless the company continues to seek ways in which to reduce its energy use and greenhouse gas emissions footprint, using robotics, enhanced waste management and efficient energy production yields.

Since 2011, we have been reporting on the increase / decrease in our CO₂ emissions, and this is our fifth GHG emissions report in line with the latest UK reporting requirements.

The reported CO₂ emissions are detailed below:

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, 2019 and 30th April, 2018. We have used the reporting guidance set out by the BEIS and DEFRA environmental reporting guidelines for 2018 (expiry 31st July, 2019), and used the methodology set out therein, to report our Scope 1 and Scope 2 emissions. Overseas electricity factors have been taken from IEA ©OECD/IEA 2018, covering both OECD and non OECD countries.

We also report under the Carbon Reduction Commitment scheme and the Energy Saving Opportunity Scheme. Under the latter, we have a target to reduce all space heating and lighting by 5% by 2020.

The energy policy is managed by the Group’s Energy Savings Opportunity Scheme (ESOS) auditor, reporting to M. S. Goodwin.

	2019 Tonnes of CO ₂ e	2018 Tonnes of CO ₂ e
Scope 1 – direct emissions (from Company facilities and vehicles)	39,351	33,840
Scope 2 – indirect emissions (from electricity purchased for own use)	7,144	7,794
Total Scope 1 and Scope 2 emissions	46,495	41,634
Intensity – emissions of total CO ₂ equivalent reported above per £1 million of Group revenue	372	334

Donations

The Company made no political donations during the year (2018: £nil).

Donations by the Group for charitable purposes amounted to £65,015 (2018: £53,079). 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

During the year a new “Safety Spectrum” initiative has successfully been rolled out across the Group. The initiative has and will continue to drive awareness at all levels, to ensure all employees can assess situations appropriately, are empowered to take action and can communicate to continually improve for everyone’s safety.

Following on from last year’s Annual Report, we are pleased to report that four of the subsidiaries have achieved the new global health and safety standard, ISO45001, in addition to Goodwin International being awarded ROSPA Gold in the year.

CORPORATE SOCIAL RESPONSIBILITY *(continued)*

Health and Safety *(continued)*

With the appointment of additional health and safety personnel throughout the group, the transition from 18001 for the remaining entities is successfully underway, alongside the continual programme of safety improvements, maintaining a safe working environment.

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.

Ethics and Sustainability

We are committed to conducting business responsibly and ethically. We endeavour to ensure that our staff, suppliers and business partners adopt the same or similar high ethical standards and values. This applies, but is not limited to human rights, modern slavery, anti-bribery and corruption.

Continual training is carried out to all relevant staff and a variety of third party evaluation services are used on an ongoing basis for agents and other business relationships. We visit major suppliers and write letters in line with the United Nations Global Compact voluntary initiative. The letters invite our major suppliers to adopt, implement and evidence adequate compliance policies. This is all enhanced by an anonymous whistle-blowing system.

Diversity Policy

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 Group invests in training and development of skills for the Group's future and has a long-term aim that the composition of our workforce should reflect that of the community it serves. Our Diversity policy is implemented through training and development, recruitment, our business culture and the Board's Strategy.

The following tables set out the breakdown of our average number of employees and Board members by gender and age:

Breakdown by gender

Year ended 30th April, 2019	Male	%	Female	%	Total
Main Board and Company Secretary	8	80%	2	20%	10
Senior Management	66	92%	6	8%	72
Employees	825	82%	175	18%	1,000
Total	899	83%	183	17%	1,082

Breakdown by age

Year ended 30th April, 2019	Age 16 to 21	%	Age 22 to 40	%	Age 41 to 65	%	Age Over 65	%	Total
Main Board and Company Secretary	0	0%	6	60%	2	20%	2	20%	10
Senior Management	0	0%	16	22%	55	77%	1	1%	72
Employees	77	8%	471	47%	436	44%	16	1%	1,000
Total	77	7%	493	46%	493	46%	19	1%	1,082

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 22nd August, 2019 and is signed on its behalf by:

T. J. W. Goodwin
Director

M. S. Goodwin
Director

S. R. Goodwin
Director

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their reports and audited financial statements for the year ended 30th April, 2019.

The Directors have presented their Group Strategic Report on pages 3 to 14. 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 6, the Principal Risks and Uncertainties on page 10, and the Corporate Social Responsibility Report on pages 13 and 14.

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 96.21p per share (2018: 83.473p) be paid to shareholders on the register at the close of business on 6th September, 2019. If approved by shareholders, the ordinary dividend will be paid to shareholders on 4th October, 2019.

Directors

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

J. W. Goodwin	(Resigned from Board 30th April, 2019)
R. S. Goodwin	(Resigned from Board 30th April, 2019)
M. S. Goodwin	
S. R. Goodwin	
T. J. W. Goodwin	
J. Connolly	
S. C. Birks	
B. R. E. Goodwin	
J. E. Kelly	(Non-Executive Director)

The new Chairman and the two new Managing Directors, who were appointed to office on 1st May, 2019, are each individually having their new appointments voted on at the Annual General Meeting by shareholders, as itemised on the Annual General Meeting agenda. Going forward, the Chairman and the Managing Directors will not retire by rotation.

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 Chairman does not have any other significant external appointments.

Shareholdings

The Company has been notified that as at 15th August, 2019, the following had an interest in 3% or more of the issued share capital of the Company:

J. W. and R. S. Goodwin 2,129,153 shares (29.57%), J. W. and R. S. Goodwin 1,361,486 shares (18.91%). These shares are registered in the names of J. M. Securities Limited and J. M. Securities (No. 3) Limited respectively. J. H. Ridley 500,647 shares (6.95%), Rulegate Nominees (JAMSCLT) 344,984 shares (4.79%).

In line with LR 9.2.2AB R, relating to Controlling Shareholders, the Company confirms that a written and legally binding agreement is in place, which complies with the provisions set out in LR 6.5.4 R.

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 26 to the financial statements on page 72.

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.

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.

REPORT OF THE DIRECTORS *(continued)*

Share capital *(continued)*

Following the passing of a Resolution at the Company's Annual General Meeting on 5th October, 2016 to approve an Equity Long Term Incentive Plan ("LTIP") for the Executive Directors, the Directors have statutory authority to issue shares in connection with the exercise of options granted under the LTIP. The Directors have not been given authority to issue or buy back shares of the Company other than in respect of the LTIP. The LTIP earn-out for each of the eight Directors, who were eligible under the scheme, when it was approved, is 61,200 shares each and these are exercisable within five years from 1st May, 2019. As at 5th August, 2019, no Director has exercised or sold any of the shares that he has been awarded under the LTIP scheme.

Research and development

The Group invests significantly in research and development. Announced earlier in the year, Goodwin Refractory Services has developed the world's first 'respirable silica free' investment casting powder for the global jewellery industry.

Further investments included enhancements to our submersible slurry pumps range, axial flow control valve developments, vermiculite dispersions and radar systems.

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 and the Chair of the Audit Committee and Audit Committee members 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

The Directors, after having reviewed the projections and possible challenges that may lie ahead, believe that, armed at the year end with £15 million of unutilised committed facility, there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 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

In accordance with provision C.2.2 of the Governance Code the Directors have assessed the Group's viability over a three year period to 30th April, 2022.

While the Board has no reason to believe that the Group will not be viable over a longer period, the Board believes that a three year period is prudent, whilst providing the readers of the report with a sensible degree of confidence.

The assessment has taken into account the Group's current position, committed long-term financing and its visibility of the operational workload with the potential impact of the principal risks and uncertainties documented within the Group Strategic Report, resulting in the Directors' confirmation that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due during this period.

Auditor

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:

T. J. W. Goodwin
Chairman

22nd August, 2019

CORPORATE GOVERNANCE REPORT

Introduction

The Board comprises six Directors and an independent Non-Executive Director; the Audit Committee comprises the Non-Executive Director who is the Audit Committee Chair, and three other members, the previous Chairman, the previous Managing Director and the previous Company Secretary, all of whom had held these positions for the past twenty-seven years and have very substantial knowledge and experience of the diversified Group's people, product ranges and the very diversified overseas markets in which the Group operates. 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.

For the past four years the Company has had one Non-Executive Director who is also the Chair of the Audit Committee, which has three other members as described above. This is not in full compliance with the revised Code, but for a small company, due to the limits of time availability and cost, the Board considers this as an optimum compromise that is beneficial to shareholders and the Group's long-term interests. For specific independent expertise the Board engages independent consultants.

Compliance statement under the UK Corporate Governance Code 2016

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.

As noted in the introduction above, the Group does not comply with aspects of the Code's requirements under provisions A4.1, A4.2, B1.2, and C3.1 in terms of having a senior independent Director. Since 14th April, 2015 a Non-Executive Director with the role of Chair of the Audit Committee has been appointed. The Group does not have a Remuneration Committee or a Nominations Committee as required under provisions B2 and D2.1 and 2.2.

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

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

The Board

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

J. W. Goodwin (Chairman)	...	...	9 out of 10 attended (Resigned from Board 30th April, 2019)
R. S. Goodwin (Managing Director)	...	...	9 out of 10 attended (Resigned from Board 30th April, 2019)
M. S. Goodwin	...	...	10 out of 10 attended
S. R. Goodwin	...	...	9 out of 10 attended
T. J. W. Goodwin	...	...	9 out of 10 attended
J. Connolly	...	...	10 out of 10 attended
S. C. Birks	...	...	9 out of 10 attended
B. R. E. Goodwin	...	...	9 out of 10 attended
J. E. Kelly	...	...	7 out of 10 attended

The Chairman and Managing Directors 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 (Chair), J. W. Goodwin, R. S. Goodwin and P. Ashley and the Audit Committee reports to the Board. The Audit Committee has met formally nine times since the issue of the Annual Report for the year ended 30th April, 2018, with all members attending each meeting. The responsibility of the Audit Committee is explained in the Audit Committee Report on pages 19 to 21. 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 Directors, Chairman and Audit Committee 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 Directors, Chairman and Audit Committee, 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 auditor

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 all the steps that he or she ought to have taken as a director to make himself or herself 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 19 to 21. 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, head of legal, health and safety committee 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 are ongoing to endeavour to ensure accordance with the FRC publication 'Risk Management, Internal Control and Related Financial and Business Reporting'. 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. The Group internal auditor has made good progress 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.

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:

T. J. W. Goodwin
Chairman

22nd August, 2019

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. Reviewing and checking the Group's full year and half year Accounts and the Annual Report, as presented to the Audit Committee, to ensure that they are, in their view, fair, appropriate, representative of the Group's performance and that they provide the information necessary for shareholders to assess the Group's performance.
2. Reviewing the Group's financial and non-financial internal controls and risk management systems and commenting on whether they are relevant and effective.
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 comments and feedback brought to its attention by Directors or other employees of the Group.
5. Reviewing the Group's "whistle-blowing" procedures and reviewing any significant reports.
6. Reviewing the scope of work for the internal audit function and the resultant reports.
7. Reviewing significant accounting estimates and judgements relating to the financial statements with the external auditor and members of the Board.

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

1. Examining the integrity of the Group's Annual Report and half year Interim Report:

The Chair of the Audit Committee is an independent Non-Executive Director. The other members of the committee either are persons with experience in the Group's typical products and or markets or have historical knowledge of the business and activities of the Group. Regular meetings are held between members of the Audit Committee, Directors of Goodwin PLC and its subsidiaries, General Managers and Senior Management of the UK subsidiaries. Each overseas subsidiary is typically visited at least once during the year by a member of the Audit Committee, and/or by a Main Board Director, for meetings with the General Managers and Senior Management with reports sent back to the Audit Committee. Members of the Audit Committee are involved in regular discussions with the Directors, 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 of Goodwin PLC.

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 help ensure that they are balanced, relevant, compliant with relevant accounting standards / legislation, and are consistent and complete. The Audit Committee reports to the Board of Directors their views as to 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 auditor is 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 examine whether the content is balanced, relevant, compliant with relevant accounting standards / legislation, and are consistent and complete. The Audit Committee has discussed the full year Annual Report and their views 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, 2019 appropriately represents the Group's trading position and, 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 objectives, strategy and business model.

2. Helping to ensure the Group carries effective and relevant financial and non-financial 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 the Group Chief Accountant; reviews reports from General Managers of the Group's subsidiaries; reviews quarterly 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)*

2019 Audit Committee Risk Programme

The terms of reference for the Audit Committee and how it discharges its duties have been presented to the Board and ratified.

Risk Management:

As a method of adding formality to the management of risk within all Group companies, Steven Birks, a Goodwin PLC Director, continues to mentor each subsidiary in enhancing their risk analysis and controls and reports to the Audit Committee. He spends one day per week on this task, focussing initially on overseas companies, and areas being scrutinised in detail, other than risks individual to each company, are:

- a) having appropriate limits of contract liability
- b) having appropriate levels and types of insurance
- c) ensuring appropriate control of cash flow
- d) ensuring health and safety continues to be given priority and that there is a progressive plan for improvement
- e) ensuring product development and life cycles are managed relative to the global market
- f) ensuring that the provision of trained and skilled manpower is appropriately matched to the requirements of each company
- g) risk analysis and preventative measures associated with the installation and commissioning of new plant, modified plant and new processes.

A review of the effectiveness of Know Your Customer (KYC), credit insurance, political risk insurance and contract terms and conditions has been completed. Gallagher have recently been appointed to carry out a review of insurance policies in place at the overseas subsidiaries and comment on any areas of concern.

Market risk

This remains as stated last year and, upon review, no customer accounts for more than 10% of the annual Group turnover. The country and sector dependency for the year is shown by the charts on the Investor's section of the Company website, www.goodwin.co.uk/2019.

Technical risk

The performance of new products issued to market always has a degree of risk until a multi-year track record has been attained. This statement relates to all Group companies in both the Mechanical and Refractory Engineering Divisions.

Product failure/contract risk

This has been reviewed and is unchanged from that previously stated.

Acquisitions

As reported in note 13, the Group at the end of the current financial year acquired the equity interests of a minority interest stakeholder in Ultratec, Ying Tai, Jewelry Plaster, and Asian Industrial with the latter two companies moving from associated companies to subsidiary companies of the Group as a result of the purchase. No further company acquisitions have been made in the year.

Financial risk

This has been reviewed and is as stated last year with the perceived increased volatility in exchange rates and the possibility of high foreign exchange hedging costs for forward long-term contracts.

Regulatory compliance

The Audit Committee continues to monitor regulatory compliance, training and competency. The Committee is aware of the recently enacted Climate Change Act 2008 (2050 Target Amendment) Order 2019 and will be reviewing its impact on the Group.

During the year UK Managing Directors, General Managers and accountants attended a training presentation given by Price Waterhouse Cooper on IFRS 15, the new Revenue Recognition standard.

Human Resources

Following a review by the Board of the age profile of senior managers, management capacity overload within each Group company and skill gaps, a recruitment initiative continues.

During the year the Audit Committee continued to monitor the risks posed affecting information security and the steps taken to minimise these.

The Audit Committee also reviews and comments to the Board on major capital purchases or company acquisitions being proposed by the Board of a unit or linked value greater than £2 million. Gross proposed or actual capital expenditure of all Group companies is also reviewed to help ensure the Board is aware of how such expenditure will affect the limits agreed to be in place at the time.

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.

AUDIT COMMITTEE REPORT *(continued)*

3. The Group's external auditor

KPMG LLP has been the Group's auditor for more than twenty years and whilst, during this time, no formal competitive tender process has taken place, the Directors (historically) and the Audit Committee have, until this year, considered 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 has now obtained competitive tenders for its audit services and will change within the next two years.

KPMG LLP has during the year provided non-audit services to the Group. The cost of these non-audit services is a small fraction of 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 independence and the effectiveness of the audit process, and has recommended to the Board to propose the re-appointment of KPMG LLP as the external auditor at the Annual General Meeting on 2nd October, 2019.

4. Reviewing comments and feedback

There is regular contact with Directors and employees and open and honest discussion is encouraged. Shareholders who have asked to visit the Company have done so.

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 auditor. 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

The scope of internal audit has been set by the Audit Committee and the results reviewed.

The internal audit function operates a random rotation policy which prioritises based on materiality and endeavours to cover all Group subsidiaries at least once within a three year cycle either via the Group Internal Auditor or by the Group Managing Directors.

7. Accounting estimates and judgements relating to the Financial Statements

The Audit Committee reviewed what it considered to be the accounting estimates and judgement areas within the Group Annual Report for the year ended 30th April, 2019.

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 area:

The impact of the new Accounting Standards, IFRS 9 and IFRS 15, has been considered by the Audit Committee. The latter of these is seen as a key estimate / judgement area for the Audit Committee. Under certain circumstances, IFRS 15 mandates that revenue and profit be recognised in the profit and loss account before the goods are actually shipped, which may lead to corrections in subsequent periods. This impacts on companies within our Mechanical Engineering segment where we have bespoke contracts which carry termination for convenience clauses inclusive of profit in the event of a customer contract cancellation. The consequence here is that the Standard mandates that we take profit on our work in progress and show the result as revenue despite the goods not being shipped. The Audit Committee's key concern here is the risk that estimates and judgements made in good faith at the balance sheet date may lead to adjustments in subsequent periods.

Having considered IFRS 9, we do not see this as a key estimate / judgement area. Given that our debts are credit insured where possible and our historical incidence of bad debts is low we envisage little impact from the Standard on fair valuing our trade debtors. Also the hedging mechanics within IFRS 9 are similar to the requirements under its predecessor IAS 39 in terms of the impact on our financial statements.

J. E. Kelly
Chair of the Audit Committee

22nd August, 2019

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, shareholders' approval was given 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. Shareholders also approved a revised Directors' Remuneration Policy incorporating the new LTIP.

The performance target required 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. The LTIP scheme completed on 30th April, 2019 and resulted in the Directors being awarded 61,200 shares each out of a possible 72,000 for the three year period. No new LTIP scheme is being considered or proposed.

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 2018/2019
Salary	Reflects the Directors' level of activity and achievement 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, 2018 to April, 2019, the increase was generally 3.1%.
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 2018/2019
Equity Long Term Incentive Plan	Reflects the Directors' contribution to achieving growth in shareholder value.	Awards have been granted in the form of options with an exercise price equal to the nominal value of a share. Options vested and became exercisable following 30th April, 2019 but only subject to performance measured at that time.	Awards entitled each holder to earn up to 1% of the share capital of the Company subject to the performance condition.	An Award vested and became 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.	The LTIP has ended and options have vested as outlined on page 28.
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	No changes. 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 pages 27 and 28.

We believe the above meets the requirement of Schedule 8, Companies Act 2006, regarding the changes in 2018/19. The Policy and Report is signed by the Chairman and the Managing Directors.

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 twenty years and more and that the Directors' salaries are anything but excessive versus the norm of other PLCs, this is the Board's policy.

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	(13.8)%	33.1%	34.8%
TSR for last 10 Years	336.9%	154.8%	166.1%
TSR for last 20 Years	9,259.8%	127.5%	159.2%

The TSR achieved by the Company over the past five years is below the average of the FTSE 100 and FTSE 350. This has been a feature of exceedingly high growth in the period more than five years ago and the effect of the global contraction of capital expenditure in the oil, gas and mining industries over the past three years all of which are only just starting to recover. The TSR for the last ten years and the last twenty years still far outstrips the performance of the FTSE 100 and the FTSE 350.

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 Directors and the Chairman.

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

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

The Company put the Remuneration Policy to the vote of the Annual General Meeting in 2016 when it was passed by 94.22% of those who voted. The Company will be putting the Remuneration Policy to the vote again in 2019, which is three years from the last vote, 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 Report giving the reason why.

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, 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 22 to 24. The Policy has been followed in the financial year to 30th April, 2019, 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 Directors 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:

	2019 £'000	2018 £'000	%
Ordinary dividends proposed in respect of the year	6,927	6,010	15.3%
Total employee costs	41,189	37,137	10.9%
Average employee numbers	1,082	1,042	3.8%

Approval of the Company's Annual Directors' Remuneration Report

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, 2018 was put to the shareholders at last year's Annual General Meeting on 3rd October, 2018. The Annual Directors' Remuneration Report was accepted with 99.99% of proxy votes cast in favour.

Total shareholder return – unaudited

The following graphs compare the Group's total shareholder return over the ten and twenty years ended 30th April, 2019 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 have increased by 3.1% from the previous year. The total earnings of the Managing Director for the last five years are:

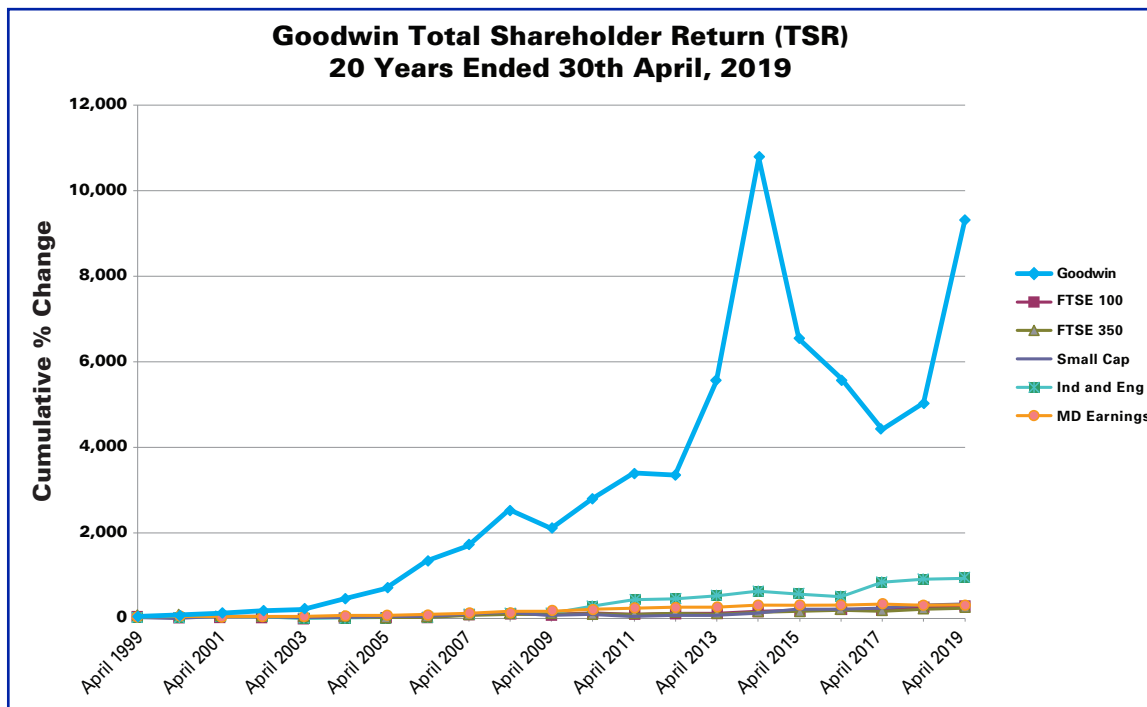
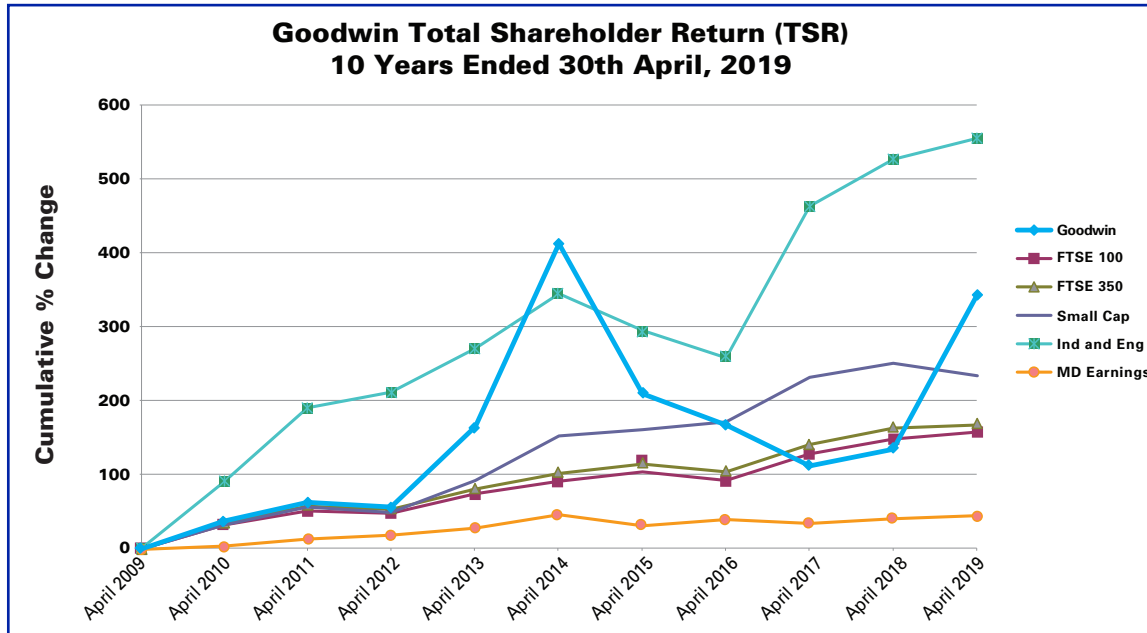
2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000
374	369	368	385	397

Total payroll costs, excluding the Managing Director's salary, have increased by 10.9% which is a reflection of internal promotion and the policy of hiring additional senior managers, Directors and employees to smooth the transition to higher levels of Group activity. During the year, the base increase awarded to employees in the UK companies was 3.1 %.

The following graphs have not been audited.

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*



The increase in the Goodwin PLC share price since 1999 plus dividends re-invested would mean that £1.00 invested in 1999 by the 30th April, 2019 would be worth £93.60. The increase in the share price since 2009 plus dividends re-invested would mean that £1.00 invested in 2009 would at 30th April, 2019 be worth £4.37.

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 – audited

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 2019	30th April 2018
<i>Beneficial</i>								
J. W. Goodwin	...	...	...	...	...	...	31,586	31,586
R. S. Goodwin	...	...	...	...	...	...	2,256	1,031
J. W. Goodwin and R.S. Goodwin	...	...	...	...	...	...	2,129,153	2,129,146
J. W. Goodwin and R.S. Goodwin	...	...	...	...	...	...	1,361,486	1,328,882
J. Connolly	...	...	...	...	...	...	1,222	1,222
M. S. Goodwin	...	...	...	...	...	...	62,653	68,675
S. R. Goodwin	...	...	...	...	...	...	80,866	87,530
S. C. Birks	...	...	...	...	...	...	200	200
B. R. E. Goodwin	...	...	...	...	...	...	30,120	36,400
T. J. W. Goodwin...	...	...	...	...	...	...	118,487	125,253
<i>Non-beneficial</i>								
J. W. Goodwin and E. M. Goodwin	...	...	...	...	...	...	14,166	14,166

There have been no changes in the Directors' interests between 30th April, 2019 and 22nd August, 2019.

Details of individual emoluments and compensation – audited

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 contrib- utions	Sub- total	LTIP*	Total
Year ended 30th April, 2019							2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
J. W. Goodwin	...	...	...	...	...	...	337	49	-	11	397	1,940	2,337
R. S. Goodwin	...	...	...	...	...	...	339	47	-	11	397	1,940	2,337
J. Connolly	...	...	...	...	...	...	204	29	-	6	239	1,940	2,179
M. S. Goodwin	...	...	...	...	...	...	219	25	-	7	251	1,940	2,191
S. R. Goodwin	...	...	...	...	...	...	210	16	-	7	233	1,940	2,173
S. C. Birks	...	...	...	...	...	...	116	23	-	4	143	1,940	2,083
B. R. E. Goodwin	...	...	...	...	...	...	123	11	-	4	138	1,940	2,078
T. J. W. Goodwin	...	...	...	...	...	...	132	11	-	4	147	1,940	2,087
J. E. Kelly	...	...	...	...	...	...	-	-	52	-	52	-	52
Total	...	...	...	...	...	...	1,680	211	52	54	1,997	15,520	17,517

* The LTIP column relates to the vesting of the 2016 Equity Long Term Incentive Plan award on 1st May, 2019, based on the ten year performance ended 30th April, 2019. As required by reporting rules, the values in the April 2019 column are calculated on the actual value of vesting of the performance award in April 2019, using the average share price of £31.70 on the 30th April, 2019 and an opening share price on 1st May, 2019 of £32.38. The value attributed for each Director cannot be taken all in year one, and by the rules of the LTIP scheme, any Director must take the value over a three to five year period, with no more than one third of the value taken in any one calendar year.

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*

Details of individual emoluments and compensation – audited *(continued)*

Single Total Figure Table Year ended 30th April, 2018					Salary	Benefits in kind	Non-Exec Director's fees	Pension contrib- utions	Sub- total	LTIP	Total
					2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000
J. W. Goodwin	...	...	...	...	325	49	-	11	385	-	385
R. S. Goodwin	...	...	...	...	325	49	-	11	385	-	385
J. Connolly	...	...	...	...	193	31	-	6	230	-	230
M. S. Goodwin	...	...	...	...	202	26	-	6	234	-	234
S. R. Goodwin	...	...	...	...	209	14	-	6	229	-	229
S. C. Birks	...	...	...	...	110	22	-	3	135	-	135
B. R. E. Goodwin	...	...	...	...	116	13	-	3	132	-	132
T. J. W. Goodwin	...	...	...	...	121	15	-	4	140	-	140
J. E. Kelly	...	...	...	...	-	-	51	-	51	-	51
Total	...	...	...	...	1,601	219	51	50	1,921	-	1,921

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

Equity Long Term Incentive Plan (LTIP) – audited

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

Share options under the LTIP were granted on 5th October, 2016, giving each Director the ability to earn up to a maximum of 1% of the issued share capital, subject to the Company TSR performance, as at 30th April, 2019. The share price on 5th October, 2016 was £22.20 and, as at that date, an external valuer using computerised statistical modelling techniques fair valued the cost to the Company of the incentive scheme at £2.66 million. Subject to performance measured as at 30th April, 2019, options would vest and become exercisable at that time.

An award would vest at the rate of 0.05% of the share capital of the Company for every 10% increase in the TSR of the Company, as compared with the TSR at 30th April, 2019, but excluding the growth already achieved up to 30th April, 2016.

Each 10% growth attainment would equate to 3,600 shares for each Director with no pro-rata shares granted between one growth band and the next.

The Company has no follow-on LTIP incentive plans in place or proposed.

Performance outcomes for the financial year ended 30th April, 2019:

The TSR growth between 30th April, 2009 and 30th April, 2019 was 337% corresponding with share prices of £9.23 and £31.70 respectively. The TSR growth as at 30th April, 2016 was 166% giving an LTIP performance growth of 171%. Therefore the target for the 2016 LTIP has been partially met, vesting 85% of the awards granted, entitling each of the eight Directors to 61,200 shares (17 x 3,600 = 61,200).

The Board is confident that the amount vested is reflective of the long-term value delivered to the business. The depth and length of the oil and gas downturn has been greater than originally expected, nonetheless the hard work of the leadership team has provided new products and customers to put the Company in an improved advantageous position.

The following table sets out the awards made to each of the Executive Directors under the Company's LTIP for the performance period 2009-2019.

Director at 30th April, 2019	Financial measure	Number of share options	Achieved award %	Number of share options
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	...	...	...	...
Total		576,000	85%	489,600

DIRECTORS REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*

Equity Long Term Incentive Plan (LTIP) – audited *(continued)*

Performance outcomes for the financial year ended, 30th April, 2019:

On the 30th April, 2019 there was some fluctuation in the share price impacting the LTIP performance. Consequently, in line with the scheme rules the Board has determined it appropriate in order to moderate the volatility to grant the 2019 LTIP award based on an average share price. Both the two week prior TSR average and the prior twenty-four hour TSR average provide the same 85% award outcome. This outcome also matches the opening price on 1st May, 2019 when the price was £32.38

Total pension entitlements – unaudited

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 employee also contributes a minimum of 4% of remuneration to his/her fund. The pension contributions are to defined contribution 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 22nd August, 2019 and is signed on its behalf by:

T. J. W. Goodwin
Director

M. S. Goodwin
Director

S. R. 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 financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and 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, relevant, reliable 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;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies 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 Directors Report and Accounts

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 or loss 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 Issuer 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 Directors Report and Accounts, 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.

T. J. W. Goodwin
Director

M. S. Goodwin
Director

S. R. Goodwin
Director

22nd August, 2019



INDEPENDENT AUDITOR'S REPORT

to the members of

Goodwin PLC

1. Our opinion is unmodified

We have audited the financial statements of Goodwin PLC ("the Company") for the year ended 30 April 2019 which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, Company Balance Sheet, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2019 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;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as Auditor by the Directors before 1984. The period of total uninterrupted engagement is for the 36 financial years ended 1984. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: £489,000 (2018: £435,000)
Group financial statements as a whole 3.5% (2018: 3.3%) of Group normalised profit before tax

Coverage 92% (2018: 84%) of absolute Group profit before tax*

Key audit matters vs 2018

New risks: The impact of uncertainties due to the UK exiting the European Union, on our audit New

Revenue recognition – Engineered bespoke revenue recognised over time New

Recurring risks: Revenue recognition – Standard product and bespoke engineered product revenue recognised at point in time ◀▶

Parent Company: Recoverability of investments in subsidiaries and receivables due from subsidiaries ◀▶

* This is the profit and losses as a percentage of total profits and losses that made up the Group profit before tax

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
The impact of uncertainties due to the UK exiting the European Union, on our audit Refer to page 11 and 12 (Group Strategic Report)	Unprecedented level of uncertainty: All audits assess and challenge the reasonableness of estimates, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance. In addition, we are required to consider the other information presented in the Annual Report including the principal risks disclosure and the viability statement and to consider the Directors' statement 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. Brexit is one of the most significant economic events for the UK and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown.	We developed a standardised firm-wide approach to the consideration of the uncertainties arising from Brexit in planning and performing our audits. Our procedures included: — Our Brexit knowledge: We considered the Directors' assessment of Brexit-related sources of risk for the Group's business and financial resources compared with our own understanding of the risks. We considered the Directors' plans to take action to mitigate the risks; — Sensitivity Analysis: When addressing areas that depend on forecasts, we compared the Directors' analysis to our assessment of the full range of reasonably possible scenarios resulting from Brexit uncertainty and, where forecast cash flows are required to be discounted, considered adjustments to discount rates for the level of remaining uncertainty; — Assessing transparency: As well as assessing individual disclosures as part of our procedures, we considered all of the Brexit related disclosures together, including those in the strategic report, comparing the overall picture against our understanding of the risks. Our results — As reported, we found the resulting disclosures in relation to going concern to be acceptable. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

	The risk	Our response
Revenue recognition – Standard product and bespoke engineered product revenue recognised at point in time (£64.6 million; 2018: £92.6 million) Refer to page 49 and 50 (accounting policy) and page 59 (financial disclosures).	Accounting application: The Group trades under a wide variety of commercial terms, and the point at which the performance obligation is satisfied varies. The risk is that the timing of revenue recognition is not in line with the agreed commercial terms. The risk relates to transactions close to the financial year end (revenue cut-off).	Our procedures included: — Accounting analysis: We reviewed the specific commercial terms applied by the various businesses in the Group and made our own independent assessment of the performance obligation and the appropriate point in time to recognise revenue having regard to the requirements of the relevant accounting standards. — Test of detail: We challenged the recognition of revenue for a sample of sales at the financial year end, based on our assessment of the commercial terms agreed with the customer, relevant shipping documentation and sales invoices. Our results — We found the resulting timing of recognition of revenue to be acceptable (2018: acceptable)
Revenue recognition – Engineered bespoke revenue recognised over time (£5.7 million; 2018: £Nil) Refer to page 21 (Audit Committee Report), page 49 to 52 (accounting policy) and page 59 (financial disclosures).	Subjective Estimate: Certain of the Group's subsidiaries enter into contractual relationships with customers to deliver bespoke products with a significant proportion of the revenues and profits derived from long term contracts. Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement and estimates including: • Estimate total contract costs; • Forecast the profit margin; • Appropriately provide for loss making contracts The effect of these matters is that, as part of our risk assessment, we determined that revenue recognition has a high degree of estimation uncertainty, for the financial statements as a whole.	Our procedures included: — Personnel interview: We enquired with management about specific contracts to understand their status and performance; — Test of detail: Considered the cost incurred per inventory item already manufactured and compared this with the forecast cost per inventory item to complete the project to assess the reasonableness of forecast; — Test of detail: Inspecting selected contracts for key clauses; identifying relevant contractual mechanisms such as liquidated damages and assessing whether these key clauses have been appropriately reflected in the amounts recognised in the financial statements; — Our sector experience: Using our sector experience to assess whether the amounts recognised in the financial statements resulting from the estimates and assumptions made represent a balanced view of the risks and opportunities pertinent to the contract working capital positions; — Assessing transparency: Assessed the related disclosures, including those required under IFRS 15, contained in the Group financial statements. Our results — We found the resulting recognition of revenue to be acceptable.

	The risk	Our response
Recoverability of parent Company's investments in subsidiaries and receivables due from subsidiaries Investments: (£25.1 million; 2018: £20.6 million) Receivables: (£30.3 million; 2018: £30.4 million) Page 85 (accounting policy) and page 87 (financial disclosures).	Low risk, high value The carrying amount of the parent Company's investments in subsidiaries represents 21.1% (2018: 19.6%) of the Company's total assets and the carrying amount of the intra-group debtor balance represents 25.5% (2018: 23.5%) of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	Our procedures included: Investments: — Tests of detail: Comparing the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. — Assessing subsidiary audits: Assessing the work performed on the subsidiary audits for a sample of subsidiaries and considering the results of that work, on those subsidiaries' profits and net assets. — Comparing valuations: For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' profit. Receivables: — Tests of detail: Assessing 100% of Group debtors to identify, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making. — Assessing subsidiary audits: Assessing the work performed on the subsidiary audits for a sample of subsidiaries and considering the results of that work, on those net assets, including assessing the ability of the subsidiary to obtain liquid funds and therefore the ability of the subsidiary to fund the repayment of the receivable. Our results: — We found the Group's assessment of the recoverability of the investment in subsidiaries and recoverability of the Group debtor balance to be acceptable (2018: acceptable).

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 £489,000 (2018: £435,000), determined with reference to a benchmark of normalised Group profit before tax. The benchmark has been normalised by averaging the Group profit before tax over a five year period. (2018: with reference to a benchmark of Group profit before tax). Normalised Group profit before tax is calculated as £14.0 million (2018: £13.3 million), of which materiality represents 3.5% (2018: 3.3%).

Materiality for the parent Company financial statements as a whole was set at £245,000 (2018: £350,000), determined with reference to a benchmark of Company total assets, of which it represents 0.2% (2018: 0.3%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £24,450 (2018: £21,500), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 34 (2018: 32) reporting components, we subjected 11 (2018: 9) to full scope audits for Group purposes and none (2018: 1) to specified risk-focused audit procedures. The components within the scope of our work accounted for the percentages illustrated opposite.

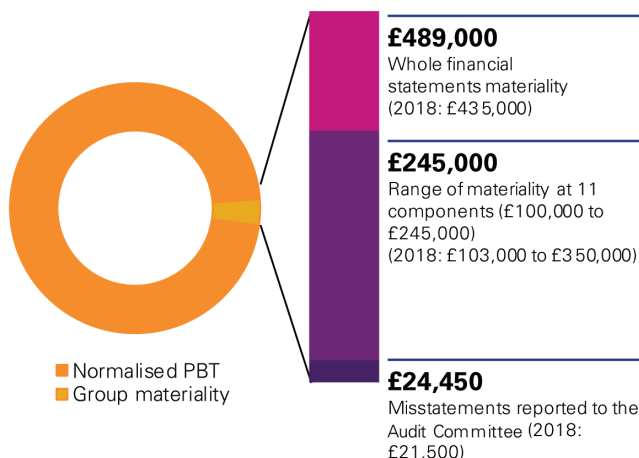
The remaining 15.0% (2018: 23.8%) of total Group revenue, 8.0% (2018: 16.7%) of absolute Group profit before tax and 11.7% (2018: 13.2%) of total Group asset is represented by 23 reporting components, none of which individually represented more than 4% (2018: 10%) of any of total Group revenue, Group profit before tax or total Group assets. For these residual 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 £100,000 to £245,000 (2018: £103,000 to £350,000), having regard to the mix of size and risk profile of the Group components. The work on 3 of the 11 components (2018: 1 of the 10 components) was performed by component auditors, and the rest, including the audit of the parent Company, was performed by the Group team.

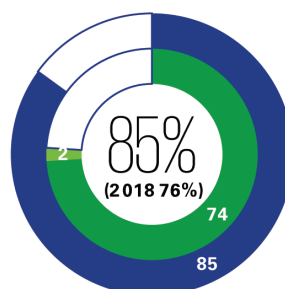
Telephone conference meetings were held with the component auditors. At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

Normalised profit before tax
£14.0m (2018: £13.3m)

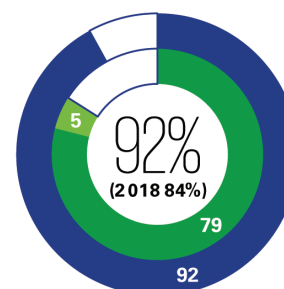
Group Materiality
£489,000 (2018: £435,000)



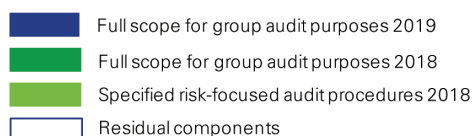
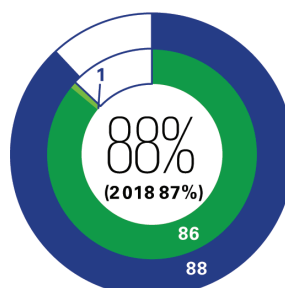
Group revenue



Absolute Group profit before tax



Group total assets



4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of Brexit on the Group's supply chain.

As these were risks that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit and the erosion of customer or supplier confidence, which could result in a rapid reduction of available financial resources.

Based on this work, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' Statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 16 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of Principal Risks and Longer-term Viability

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

- the Directors' confirmation within the viability statement on page 16 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the viability statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements 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 section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Report does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

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

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.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 30, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant laws and regulations identified at Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: international trading regulations, health and safety, anti-bribery and employment law recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter as through our enquiries and review of meeting minutes these were deemed to be insignificant to the Group as a whole.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Barrell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

22nd August, 2019



GOODWIN PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the year ended 30th April, 2019

	Notes	2019 £'000	2018 £'000
CONTINUING OPERATIONS			
Revenue	3, 4, 5	127,046	124,811
Cost of sales		(86,414)	(89,143)
GROSS PROFIT...		40,632	35,668
Other income	6	-	1,602
Distribution expenses		(3,016)	(3,359)
Administrative expenses		(21,205)	(20,331)
OPERATING PROFIT	3	16,411	13,580
Financial expenses	8	(234)	(590)
Share of profit of associate companies	14	233	310
PROFIT BEFORE TAXATION	3, 6	16,410	13,300
Tax on profit	9	(3,963)	(3,865)
PROFIT AFTER TAXATION...	3	12,447	9,435
ATTRIBUTABLE TO:			
Equity holders of the parent		11,505	8,504
Non-controlling interests		942	931
PROFIT FOR THE YEAR		12,447	9,435
BASIC EARNINGS PER ORDINARY SHARE	10	159.79p	118.11p
DILUTED EARNINGS PER ORDINARY SHARE	10	149.65p	118.11p

The notes on pages 45 to 92 form part of these financial statements.

GOODWIN PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30th April, 2019

	2019	2018
	£'000	£'000
PROFIT FOR THE YEAR	12,447	9,435
OTHER COMPREHENSIVE (EXPENSE) / INCOME		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:		
Foreign exchange translation differences	(383)	(152)
Goodwill arising from purchase of non-controlling interest in subsidiaries	(772)	-
Effective portion of changes in fair value of cash flow hedges	(644)	(294)
Change in fair value of cash flow hedges transferred to profit or loss ...	180	5,108
Effective portion of changes in fair value of cost of hedging	(489)	-
Change in fair value of cost of hedging transferred to profit or loss... ..	49	-
Tax credit / (charge) on items that may be reclassified subsequently to profit or loss	154	(818)
OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR, NET OF INCOME TAX	(1,905)	3,844
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,542	13,279
ATTRIBUTABLE TO:		
Equity holders of the parent	9,528	12,245
Non-controlling interests	1,014	1,034
	10,542	13,279

GOODWIN PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30th April, 2019

	Share capital £'000	Trans- lation reserve £'000	Share- based payment reserve £'000	Cash flow hedge reserve £'000	Cost of hedging 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, 2019									
Balance at 1st May, 2018 ...	720	1,879	1,625	(224)	-	95,568	99,568	5,259	104,827
Adjustment on initial application of IFRS 9 (net of tax) ...	-	-	-	52	(52)	-	-	-	-
Adjustment on initial application of IFRS 15 (net of tax) ...	-	-	-	-	-	(684)	(684)	(350)	(1,034)
ADJUSTED BALANCE AT 1ST MAY, 2018	720	1,879	1,625	(172)	(52)	94,884	98,884	4,909	103,793
Total comprehensive income:									
Profit ...	-	-	-	-	-	11,505	11,505	942	12,447
Other comprehensive income:									
Foreign exchange translation differences ...	-	(430)	-	-	-	-	(430)	47	(383)
Goodwill arising from purchase of NCI interest in subsidiaries	-	(180)	-	-	-	(592)	(772)	-	(772)
Net movements on cash flow hedges ...	-	-	-	(401)	(374)	-	(775)	25	(750)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(610)	-	(401)	(374)	10,913	9,528	1,014	10,542
Equity-settled share-based payment transactions ...	-	-	1,220	-	-	-	1,220	-	1,220
Tax on equity-settled share-based payment transactions ...	-	-	2,146	-	-	-	2,146	-	2,146
Dividends paid ...	-	-	-	-	-	(6,126)	(6,126)	(451)	(6,577)
Acquisition of NCI without a change of control ...	-	-	-	-	-	-	-	(1,750)	(1,750)
Disposal of equity investments ...	-	(225)	-	-	-	-	(225)	-	(225)
Acquisition of subsidiary with NCI ...	-	-	-	-	-	-	-	142	142
Capital contribution ...	-	-	-	-	-	(262)	(262)	262	-
BALANCE AT 30TH APRIL, 2019	720	1,044	4,991	(573)	(426)	99,409	105,165	4,126	109,291

GOODWIN PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)* for the year ended 30th April, 2019

	Share capital £'000	Trans- lation reserve £'000	Share- based payment reserve £'000	Cash flow hedge reserve £'000	Cost of hedging 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, 2018									
Balance at 1st May, 2017 ...	720	2,154	601	(4,240)	-	90,201	89,436	4,225	93,661
Total comprehensive income:									
Profit	-	-	-	-	-	8,504	8,504	931	9,435
Other comprehensive income:									
Foreign exchange translation differences	-	(275)	-	-	-	-	(275)	123	(152)
Net movements on cash flow hedges	-	-	-	4,016	-	-	4,016	(20)	3,996
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(275)	-	4,016	-	8,504	12,245	1,034	13,279
Equity-settled share-based payment transactions ...	-	-	1,024	-	-	-	1,024	-	1,024
Dividends paid	-	-	-	-	-	(3,137)	(3,137)	-	(3,137)
BALANCE AT 30TH APRIL, 2018	720	1,879	1,625	(224)	-	95,568	99,568	5,259	104,827

GOODWIN PLC

CONSOLIDATED BALANCE SHEET

at 30th April, 2019

	Notes	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	74,106	69,154
Investment in associates	14	739	1,963
Intangible assets... ..	15	22,354	21,138
Other financial assets at amortised cost	17	505	728
		97,704	92,983
CURRENT ASSETS			
Inventories... ..	16	50,524	28,850
Contract assets	5	3,698	6,046
Trade receivables and other financial assets	17	24,964	20,053
Other receivables	18	2,715	1,861
Derivative financial assets	27	195	364
Cash and cash equivalents	19	9,640	7,485
		91,736	64,659
TOTAL ASSETS		189,440	157,642
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	20	10,198	12,468
Contract liabilities	5	18,002	212
Trade payables and other financial liabilities	21	20,570	17,858
Other payables	22	4,771	8,821
Deferred consideration... ..	23	204	500
Derivative financial liabilities... ..	27	1,693	1,535
Liabilities for current tax		2,356	1,174
Warranty provision	24	261	184
		58,055	42,752
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	20	20,486	5,775
Warranty provision	24	232	329
Deferred tax liabilities	25	1,376	3,959
		22,094	10,063
TOTAL LIABILITIES		80,149	52,815
NET ASSETS		109,291	104,827
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	26	720	720
Translation reserve		1,044	1,879
Share-based payments reserve		4,991	1,625
Cash flow hedge reserve		(573)	(224)
Cost of hedging reserve		(426)	-
Retained earnings		99,409	95,568
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		105,165	99,568
NON-CONTROLLING INTERESTS		4,126	5,259
TOTAL EQUITY		109,291	104,827

These financial statements were approved by the Board of Directors on 22nd August, 2019, and signed on its behalf by:

T. J. W. Goodwin
Director

M. S. Goodwin
Director

S. R. Goodwin
Director

Company Registration Number: 305907

GOODWIN PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30th April, 2019

	2019 £'000	2019 £'000	2018 £'000	2018 £'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit from continuing operations after tax		12,447		9,435
Adjustments for:				
Depreciation		5,819		5,243
Amortisation of intangible assets		1,312		1,138
Financial expenses		234		590
Foreign exchange losses		66		277
Loss / (profit) on sale of property, plant and equipment ...		13		(1,568)
Share of profit of associate companies		(233)		(310)
Equity-settled share-based provisions		1,220		1,024
Tax expense		3,963		3,865
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		24,841		19,694
(Increase) / decrease in inventories		(11,816)		8,801
Decrease / (increase) in contract assets		1,361		(6,046)
(Increase) / decrease in trade and other receivables		(4,288)		3,421
Increase in contract liabilities		3,452		212
Increase in trade and other payables (excluding advance payments from customers)		1,965		2,001
(Increase) / decrease in unhedged derivative balances		(579)		5,249
(Decrease) / increase in advance payments from customers ...		(51)		2,224
CASH GENERATED FROM OPERATIONS		14,885		35,556
Interest paid		(524)		(665)
Corporation tax paid		(3,093)		(3,703)
Interest element of finance lease obligations		(64)		(89)
NET CASH FROM OPERATING ACTIVITIES		11,204		31,099
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment ...	142		1,888	
Acquisition of property, plant and equipment	(11,451)		(9,010)	
Additional investment in existing subsidiaries	(2,668)		-	
Acquisition of controlling interest in associates net of cash acquired	(425)		-	
Acquisition of intangible asset	(315)		(378)	
Development expenditure capitalised	(1,500)		(3,334)	
Dividends received from associate companies	1,254		441	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(14,963)		(10,393)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of capital element of finance lease obligations ...	(911)		(865)	
Proceeds from new finance leases	424		-	
Dividends paid	(6,126)		(3,137)	
Dividends paid to non-controlling interests	(451)		-	
Net proceeds from / (repayment of) loans and committed facilities	8,337		(12,044)	
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		1,273		(16,046)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2,486)		4,660
Cash and cash equivalents at beginning of year		2,900		(1,483)
Effect of exchange rate fluctuations on cash held		79		(277)
CASH AND CASH EQUIVALENTS AT END OF YEAR (see note 19)		493		2,900

1. Accounting policies

Goodwin PLC (the “Company”) is incorporated in England and Wales.

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 83 to 92.

The accounting policies set out below have, been applied consistently to all periods presented in these Group financial statements, with the exception of revenue and the cost of derivatives in relation to cash flow hedges, as outlined below.

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 2.

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 continue to be monitored and managed. After reviewing the situation, the Directors have 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.

New IFRS standards and interpretations adopted during 2019

In 2019 the following amendments had been endorsed by the EU, became effective and were, therefore, mandated to be adopted by the Group:

- IFRS 9 - Financial Instruments (effective for annual periods beginning on or after 1st January, 2018)
- IFRS 15 - Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2018)
- IFRS 15 - Clarifications (effective for annual periods beginning on or after 1st January, 2018)
- Annual Improvements to IFRSs – 2014-2016 Cycle – minor amendments to IFRS 1 and IAS 28 (effective for annual periods beginning on or after 1st January, 2018)
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1st January, 2018)
- IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1st January, 2018)

The adoption of IFRS 9 and IFRS 15 is discussed in note 3. The implementation of all the other 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.

Going concern

As outlined in the Statement of Directors’ Responsibilities on page 30, the financial statements have been prepared on a going concern basis. The Group has performed strongly during the year, generating pre tax profits of £14,728,000 (2018: £13,300,000), excluding the impact of IFRS 15 (see note 3). The net worth of the Group is £109,291,000 (2018: £104,827,000). With significant unutilised bank facilities at 30th April, 2019 (see note 27), and the trading prospects set out in the Chairman’s Statement, the Directors have no reason to believe that a material uncertainty exists, that could cast doubt on the ability of the Company and the Group to continue as a going concern for the foreseeable future.

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

1. Accounting policies *(continued)*

Basis of consolidation *(continued)*

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 statement of profit or loss 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.

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 the translation of foreign operations are taken directly to the translation reserve. They are released into the statement of profit or loss upon disposal of the foreign operation.

Financial instruments

Measurement

Trade receivables, which do not contain a significant financing component, are measured, initially, at the transaction price. All other financial assets and liabilities are measured at fair value, on initial recognition.

Non-derivative financial assets are measured subsequently at amortised cost if the objective is to hold them to collect contractual cash flows and their contractual terms include cash flows on specified dates, which are payments of principal and interest.

Principal non-derivative financial assets and liabilities

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional. Trade receivables are held with the intention of collecting the contractual cash flows and are measured subsequently, therefore, at amortised cost.

Other receivables

Other receivables principally comprise short-term tax balances and a loan to an associate company. Interest is charged at commercial rates on long-term balances. After being recognised initially at fair value, other receivables are measured, subsequently, at amortised cost. The carrying amount of other receivables is considered to be a reasonable approximation of their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, together with cash deposits with an original maturity of three months or less. Included with cash and cash equivalents, for the cash flow statement only, are bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management.

Bank borrowings

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

Trade and other payables

Trade and other payables are recognised initially at fair value, and are subsequently reported at amortised cost.

Impairment

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses (ECLs). Specific impairments are made when there is a known impairment need against trade receivables and contract assets. When estimating ECLs, the Group assesses reasonable, relevant and supportable information, which does not require undue cost or effort to produce. This includes quantitative and qualitative information and analysis, incorporating historical experience, informed credit assessments and forward-looking information. Loss allowances are deducted from the

1. Accounting policies (continued)

Financial instruments (continued)

Impairment (continued)

gross carrying amount of the assets. Where material, impairment losses related to trade and other receivables, including contract assets, are disclosed separately in the statement of profit or loss.

Derivative financial assets and liabilities

Derivative financial assets and liabilities are recognised at fair value. 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 adjusted for counterparty credit risk. The recognition of the gain or loss on re-measuring to fair value those forward exchange contracts, which are used for hedging, is outlined below; for other forward exchange contracts, the gain or loss is recognised in the profit or loss.

Fair value derivation

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).

The fair value of derivative financial assets and liabilities is derived using level 2 inputs.

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. Under the new general hedge accounting model in IFRS 9, our hedge relationships are aligned with our risk management objectives and strategy, resulting in a more qualitative and forward-looking approach in ensuring hedge effectiveness.

For cash flow hedges, the associated cumulative gain or loss is removed on the relevant derivative financial instrument is removed from equity and recognised in the statement of profit and loss in the same period or periods during which the hedged forecast transaction affects the statement of profit and loss. Any identified ineffective portion of the hedge is recognised immediately in the statement of profit and loss. Only the change in spot rate is designated as the hedging instrument, with the change in fair value relating to forward points being reported separately as deferred costs of hedging within other comprehensive income as permitted by IFRS 9. Given under IAS39 the cash flow hedge accounting utilised the forward point inclusive rate, there is no significant impact on the accounts resulting from adopting the IFRS 9 general hedge accounting model.

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 cash flow hedge transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the statement of profit or loss immediately.

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. 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 statement of profit or loss 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 or cost

Assets in the course of construction are not depreciated.

1. Accounting policies (continued)

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 statement of profit or loss. 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 statement of profit or loss.

Goodwill or negative goodwill resulting from increasing the percentage ownership of an existing subsidiary is dealt with in other comprehensive income.

Expenditure on research activities is recognised in the statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss 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:

- | | |
|---|--|
| • Capitalised development costs | Minimum expected order unit intake or minimum product life |
| • Manufacturing rights | 6 - 15 years |
| • Brand names and intellectual property | 3 - 15 years |
| • Customer lists | 10 years |
| • Order book | 1 year |
| • Distribution rights | 25 years |
| • Software and licences | 3 - 4 years |
| • Non-compete agreements | 15 years |

Impairment of intangibles

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 statement of profit or loss.

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.

1. Accounting policies *(continued)*

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 statement of profit or loss 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 note 6.

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 statement of profit or loss.

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.

Warranty provisions

The Group carries a warranty provision where applicable. 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 statement of profit or loss.

Revenue

Revenue is recognised when a customer obtains control of the goods or services i.e. upon the satisfaction of a performance obligation. Judgement is required to determine the timing of the transfer of control, and whether it is at a point in time or over time. Where a contract contains several performance obligations then the contract is unbundled and each performance obligation is dealt with separately. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group’s various goods and services are set out below.

Standard inventory product lines and consumables

Typically applies to the whole of the Group’s Refractories Engineering segment and the sale of slurry pumps within the Mechanical Engineering segment. The revenue here relates to standard products manufactured for sale. The performance obligation is satisfied and revenue taken at the point when customers obtain control of the goods in accordance with the International Commercial (INCO) terms agreed or via a bill and hold arrangement. For this revenue stream the treatment under IAS 18 and IFRS 15 is essentially the same in the profit and loss account and the balance sheet.

Minimum period contracts for the provision of goods and services

Predominantly the supply of broadband and related services under minimum term contracts. Performance obligations are satisfied over time and revenue is recognised equally over the term of the contract. Within these contracts it is often the case that the service contract also contains hardware / software as part of the monthly payments. Under IAS 18, any such hardware / software was amortised over the term of the contract. Under IFRS 15, these contracts are unbundled with the fair value of the hardware / software taken as revenue in month 1 by the creation of a contract asset, thus leaving the true service element to be taken as revenue over the term of the contract. Prepayments under IFRS 15 are reduced because revenue from the sale of goods has been taken in month 1.

Engineered bespoke products – performance obligations satisfied over time

Typically applies to the Group’s Mechanical Engineering segment and covers sales orders which are customer bespoke but permit the Group subsidiary to claim profit earned to date if the customer were to trigger the

1. Accounting policies (continued)

Revenue (continued)

Engineered bespoke products – performance obligations satisfied over time (continued)

cancel for convenience clause within the contract. In such cases, the performance obligations are treated as satisfied over time (i.e. as the contract progresses) and revenue is taken based on the percentage completion of the contract by the creation of a contract asset. Under IAS 18 revenue was not taken until the goods were despatched and until then were accounted for as work in progress (cost and production overhead recovery only) and so work in progress under IFRS 15 is eliminated and replaced by a contract asset which includes profit, where applicable. Measuring progress requires judgement as to the stage of completion of each job, and the production of forecasts, which contain allowances for technical risks and inherent uncertainties.

Engineered bespoke products – performance obligations satisfied at a point in time

Typically applies to the Group's Mechanical Engineering segment and covers sales orders which are customer bespoke, but permit the Group subsidiary to claim only for costs in the event the customer triggers the cancel for convenience clause within the contract. In such cases, the performance obligation is deemed to be met and revenue taken as order lines are shipped in accordance with the relevant shipping terms or via a bill and hold arrangement. For this revenue stream the treatment under IAS 18 and IFRS 15 is essentially the same.

The incremental costs of obtaining a contract are recognised as an expense, as occurred, when the contract period is less than one year.

Contract assets represent the Group's rights to consideration for work completed but not invoiced at the reporting date for bespoke products contracts. Contract assets are transferred to receivables when the rights to consideration become unconditional, which is generally when the Group invoices the customer. Where payments are received in advance and exceed the costs incurred in constructing the asset together with forecast margin earned, the balances are disclosed as contract liabilities.

Leases

Operating lease payments

Payments made under operating leases are recognised in the statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit or loss 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 statement of profit or loss as it accrues.

Employment costs

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 statement of profit or loss 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 were one month's contributions outstanding, which were paid in the following month.

Termination costs

Employee termination costs are expended in the profit and loss figures in a year as soon as the expense is known and is certain.

Share-based payment transactions

Share-based payments arrangements, in which the Group receives goods or services as consideration for its own equity instruments, are accounted for as equity-settled share-based payment transactions regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted.

1. Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss 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:

- Amendments to IFRS 9 – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1st January, 2019)
- IFRS 16 - Leases (effective for annual periods beginning on or after 1st January, 2019)
- IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1st January, 2019)
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1st January, 2019)
- Annual Improvements to IFRSs – 2015-2017 Cycle – minor amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (effective for annual periods beginning on or after 1st January, 2019)
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 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. With the exception of IFRS 16, none of the other standards or interpretations is expected to have a material impact.

The Group will adopt the modified retrospective approach, such that comparative information will not be restated, but will continue to be reported under IAS 17 and IFRIC 4. The implementation of IFRS 16 is expected to increase total assets by approximately £1.1 million for right of use assets, and to increase total liabilities by £1.1 million in lease liabilities. The impact on profit is expected to be insignificant. In calculating the impact of IFRS 16, judgement has been required to choose appropriate interest rates for discounting the lease payments.

The Group intends to apply the exemption for lease payments associated with short-term leases and leases of low-value assets, to recognise these as an expense, on a straight-line basis, over the lease term, and not to recognise right-of-use assets and lease liabilities.

2. Accounting estimates and judgements

The Group makes judgements and estimates in applying the Group's accounting policies, to prepare the financial statements.

Key estimate / judgement

IFRS 15 Revenue Recognition

The Directors consider that a key estimate, which may have a material impact on the financial statements, is in relation to IFRS 15 and, in particular, where we are mandated to account on a revenue over time basis on some of our mechanical engineering work in progress contracts. When reviewing the terms of contracts with customers, judgement is required to assess the number of performance obligations within the contracts and when to recognise contract provisions.

For contracts where revenue is recognised over time, there is a need to estimate the costs to complete on these contracts. The costs to complete estimates can be complex, as they need to consider several variable factors such as the impact of delays, cost overruns and also any variations to contract. Once complete, these estimates then drive the amount of revenue recognised. The estimates are prepared and reviewed by management with suitable experience and qualifications, and who endeavour to ensure the revenue mandated to be recognised prior to the completion of the contract is not overstated, based on possible technical risks and inherent uncertainties.

2. Accounting estimates and judgements *(continued)*

Key estimate / judgement *(continued)*

IFRS 15 Revenue Recognition (continued)

Whilst any estimates are based on management's best knowledge at the time, it is clear, due to the very nature of an estimate, that the eventual outcomes may differ from the estimates, due to unforeseen events. Any revisions arising from deviations in estimates are recognised in the period during which the revision arises or future periods, as appropriate.

Other estimates / judgements

Other than as reported above, the Directors do not consider there to be any key estimates or judgements in preparing the financial statements. The estimates and judgements outlined below formed the main areas of focus for the Directors throughout the year.

Inventory provisions

The Group's Directors in conjunction with senior management in the subsidiaries regularly review the recoverability of their stated raw material and work in progress balances, paying particular attention to net realisable value and stock obsolescence issues. The estimates are in relation to costs to complete and the expected level of future sales orders for slow moving stocks. Where it is judged that a provision is deemed necessary the appropriate adjustments are made in the relevant subsidiary's books at the time a shortfall is identified.

Trade receivable provisions

Whilst trade debtors are insured wherever possible, the Directors are able to exercise judgement in relation to non credit insured contracts as set out under section 27 (a). The Group Directors, in conjunction with the subsidiary credit controllers, closely monitor the adherence to payment terms across all accounts (whether insured or not) and make provision for any losses that are likely to materialise. There is a requirement under IFRS 9 to consider the statistical likelihood of a bad debt based off previous experience. Historically, the Group's bad debt write offs have been negligible and the Group results are not impacted by this requirement for a statistically based provision.

3. Changes in significant accounting policies

IFRS 15 Revenue from contracts with customers

With effect from the 1st May, 2018, the Group, as required by law, has adopted the revised revenue accounting standard, IFRS 15 Revenue from Contracts with Customers that has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. IFRS 15 in certain instances, and as outlined within the revenue section of note 1, materially departs from the way revenue and profits have previously been recognised by the Group.

In terms of the current year, the impact of the new Standard has been to increase the reported revenue by £10.3 million and profit before taxation by £1.7 million, and therefore, if the Group were still reporting under IAS 18 and IAS 11, the reported revenue would have been £117 million. The pre tax profits of £14.7 million discussed in the Chairman's Statement are on a like-for-like basis.

3. Changes in significant accounting policies (continued)

IFRS 15 Revenue from contracts with customers (continued)

The following tables summarise the impacts of adopting IFRS 15 on the Group's balance sheet as at 30th April, 2019, its statement of cash flows and its statement of profit or loss for the year then ended for each of the line items affected. There was no impact on NCI.

Impact on the consolidated statement of profit or loss

								As reported £'000	Adjustments £'000	Without the adoption of IFRS 15 £'000
Continuing operations										
Revenue	...	...	...	...	...	...	...	127,046	(10,254)	116,792
Cost of sales	...	...	...	...	...	...	...	(86,414)	8,572	(77,842)
Gross profit								40,632	(1,682)	38,950
Distribution expenses	...	...	...	...	...	...	...	(3,016)	-	(3,016)
Administrative expenses	...	...	...	...	...	...	...	(21,205)	-	(21,205)
Operating profit								16,411	(1,682)	14,729
Financial expenses	...	...	...	...	...	...	...	(234)	-	(234)
Share of profit of associate companies				...	...	...	...	233	-	233
Profit before taxation								16,410	(1,682)	14,728
Tax on profit	...	...	...	...	...	...	...	(3,963)	333	(3,630)
Profit after taxation								12,447	(1,349)	11,098
Attributable to:										
Equity holders of the parent	...	...	...	...	...	...	...	11,505	(1,067)	10,438
Non-controlling interests	...	...	...	...	...	...	...	942	(282)	660
Profit for the period								12,447	(1,349)	11,098

3. Changes in significant accounting policies *(continued)*

IFRS 15 Revenue from contracts with customers *(continued)*

Impact on the consolidated balance sheet

	As reported £'000	Adjustments £'000	Without the adoption of IFRS 15 £'000
Non-current assets	97,704	-	97,704
Current assets			
Inventories	50,524	(9,500)	41,024
Contract assets	3,698	1,782	5,480
Trade and other financial assets	24,964	35	24,999
Other receivables	2,715	-	2,715
Derivative financial assets	195	-	195
Cash and cash equivalents	9,640	-	9,640
	91,736	(7,683)	84,053
Total assets	189,440	(7,683)	181,757
Current liabilities			
Interest-bearing loans and borrowings	10,198	-	10,198
Contract liabilities	18,002	(12,413)	5,589
Trade and other financial liabilities... ..	20,570	-	20,570
Other payables	4,771	5,378	10,149
Deferred consideration	204	-	204
Derivative financial liabilities... ..	1,693	-	1,693
Liabilities for current tax	2,356	(333)	2,023
Warranty provision	261	-	261
	58,055	(7,368)	50,687
Non-current liabilities			
Interest-bearing loans and borrowings	20,486	-	20,486
Warranty provision	232	-	232
Deferred tax liabilities	1,376	-	1,376
	22,094	-	22,094
Total liabilities	80,149	(7,368)	72,781
Net assets	109,291	(315)	108,976
Equity attributable to equity holders of the parent			
Share capital	720	-	720
Translation reserve	1,044	-	1,044
Share-based payments reserve	4,991	-	4,991
Cash flow hedge reserve	(573)	-	(573)
Cost of hedging reserve	(426)	-	(426)
Retained earnings - opening... ..	94,884	684	95,568
Retained earnings - current year movement	4,525	(1,067)	3,458
Total equity attributable to equity holders of the parent	105,165	(383)	104,782
Non-controlling interests - opening	4,909	350	5,259
Non-controlling interests - current year movement	(783)	(282)	(1,065)
Total equity	109,291	(315)	108,976

3. Changes in significant accounting policies (continued)

IFRS 15 Revenue from contracts with customers (continued)

Impact on the consolidated statement of cash flows

	As reported £'000	Adjustments £'000	Without the adoption of IFRS 15 £'000
Cash flow from operating activities			
Profit from continuing operations after tax	12,447	(1,349)	11,098
<i>Adjustments for:</i>			
Depreciation	5,819	-	5,819
Amortisation of intangible assets	1,312	-	1,312
Financial expenses	234	-	234
Foreign exchange losses	66	-	66
Loss on sale of property, plant and equipment	13	-	13
Share of profit of associate companies	(233)	-	(233)
Equity-settled share-based provisions	1,220	-	1,220
Tax expense	3,963	(333)	3,630
Operating profit before changes in working capital and provisions	24,841	(1,682)	23,159
Increase in inventories... ..	(11,816)	-	(11,816)
Decrease in contract assets	1,361	1,647	3,008
Increase in trade and other receivables	(4,288)	35	(4,253)
Increase in contract liabilities	3,452	-	3,452
Increase in trade and other payables (excluding advance payments from customers)... ..	1,965	-	1,965
Increase in unhedged derivative balances... ..	(579)	-	(579)
Decrease in advance payments from customers	(51)	-	(51)
Cash generated from operations	14,885	-	14,885
Interest paid	(524)	-	(524)
Corporation tax paid	(3,093)	-	(3,093)
Interest element of finance lease obligations	(64)	-	(64)
Net cash from operating activities	11,204	-	11,204
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	142	-	142
Acquisition of property, plant and equipment	(11,451)	-	(11,451)
Additional investment in existing subsidiary	(2,668)	-	(2,668)
Acquisition of controlling interests in associates net of cash	(425)	-	(425)
Acquisition of intangible assets	(315)	-	(315)
Development expenditure capitalised	(1,500)	-	(1,500)
Dividends received from associate companies	1,254	-	1,254
Net cash outflow from investing activities	(14,963)	-	(14,963)
Cash flows from financing activities			
Payment of capital element of finance lease obligations	(911)	-	(911)
Proceeds from new finance leases	424	-	424
Dividends paid	(6,126)	-	(6,126)
Dividends paid to non-controlling interests	(451)	-	(451)
Net proceeds from loans and committed facilities	8,337	-	8,337
Net cash inflow from financing activities	1,273	-	1,273
Net decrease in cash and cash equivalents	(2,486)	-	(2,486)
Cash and cash equivalents at beginning of year	2,900	-	2,900
Effect of exchange rate fluctuations on cash held	79	-	79
Cash and cash equivalents at end of year	493	-	493

3. Changes in significant accounting policies (continued)

IFRS 15 Revenue from contracts with customers (continued)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The main impacts of applying IFRS 15 initially vary according to the type of contract, and are the following:

- earlier recognition of revenue from some short and long-term engineered product contracts
- earlier recognition of revenue from the unbundling of minimum period contracts
- reduction in recognition of revenue from some long-term engineered product contracts

The Group has adopted IFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application (i.e. 1st May, 2018). Accordingly, the information presented for the year ended 30th April, 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impact, net of tax, of the transition to IFRS 15 on retained earnings and NCI at 1 May, 2018. The amounts shown reflect the change in the revenue streams, in which these contracts have been reported for the year ended 30th April, 2018.

													£'000
Minimum period contracts for the provision of goods and services	...	...	...	...	...	...	...	...	...	...	...	...	76
Engineered bespoke products – performance obligations satisfied over time	...	...	...	...	...	...	...	...	...	...	...	...	533
Engineered bespoke products – performance obligations satisfied at a point in time	...	...	...	...	...	...	...	...	...	...	...	...	(1,857)
Less related tax	...	...	...	...	...	...	...	...	...	...	...	...	214
Total impact on equity													(1,034)
Equity attributable to equity holders of the parent	...	...	...	...	...	...	...	...	...	...	...	...	(684)
Non-controlling interests	...	...	...	...	...	...	...	...	...	...	...	...	(350)
													(1,034)

IFRS 9 Financial Instruments

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies for non-derivative financial liabilities. The carrying values of financial assets have changed only marginally because the impairment, calculated in accordance with the expected credit loss requirements, is insignificant.

The table below summarises the impact of the transition to IFRS 9 on reserves; there is no impact on non-controlling interests. Since the impact is immaterial, the previous year's balance sheet has not been re-stated.

						As previously reported £'000	Adjustments £'000	Adjusted at 30th April 2018 £'000
Cash flow hedge reserve	...	...	...	...	...	224	(52)	172
Cost of hedging reserve	...	...	...	...	...	-	52	52

The classification of financial assets is shown in the following table.

					Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	...	...	...	...	Loans and receivables	Amortised cost
Forward exchange contracts used for hedging	...	...	...	...	Fair value – hedging instrument	Fair value – hedging instrument
Other forward exchange contracts	...	...	...	...	At fair value through the profit and loss (FVTPL)	At fair value through the profit and loss (FVTPL)
Cash and cash equivalents	...	...	...	...	Loans and receivables	Amortised cost

The Group has credit insurance covering much of its trade receivables balance, and the historical experience is that credit losses incurred have been low. For these reasons, trade receivable and contract asset balances have not been restated.

4. Segmental information

Products and services from which reportable segments derive their revenues

The Group has applied IFRS 15 initially at 1st May, 2018; the financial statements for the year ended 30th April, 2018 have not been restated but are presented, as previously reported, under IAS 18, IAS 11 and related interpretations. IFRS 9 has also been applied initially at 1st May, 2018. Prior periods have not been restated in accordance with the classification and measurement requirements of IFRS 9, because the Group has applied the exemption outlined in paragraph 7.2.15 of IFRS 9.

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. 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, valve, antenna and pump manufacture 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.

Revenue

Year Ended 30th April	Mechanical Engineering		Refractory Engineering		Sub Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Revenue						
External sales	82,375	80,661	44,671	44,150	127,046	124,811
Inter-segment sales	21,714	18,839	8,726	8,354	30,440	27,193
Total revenue	104,089	99,500	53,397	52,504	157,486	152,004
Reconciliation to consolidated revenue:						
Inter-segment sales					(30,440)	(27,193)
Consolidated revenue for the year					127,406	124,811

Year Ended 30th April	Mechanical Engineering		Refractory Engineering		Sub Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Profits						
Operating profit including share of associates	11,932	8,282	8,070	7,528	20,002	15,810
Other income	-	-	-	1,602	-	1,602
Total	11,932	8,282	8,070	9,130	20,002	17,412
% of total operating profit including share of associates	60%	48%	40%	52%	100%	100%
Group centre					(2,138)	(2,498)
LTIP – non cash provision					(1,220)	(1,024)
Group finance expenses					(234)	(590)
Consolidated profit before tax for the year					16,410	13,300
Tax					(3,963)	(3,865)
Consolidated profit after tax for the year					12,447	9,435

4. Segmental information (continued)

Year Ended 30th April				Segmental total assets		Segmental total liabilities		Segmental net assets	
				2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Segmental net assets									
Mechanical Engineering	...	...	...	97,862	79,835	72,520	50,113	25,342	29,722
Refractory Engineering	...	...	...	43,950	39,534	25,541	19,905	18,409	19,629
Sub total reportable segment	...	...	...	141,812	119,369	98,061	70,018	43,751	49,351
Goodwin PLC net asset	...	...	...					81,249	66,715
Elimination of Goodwin PLC investments	...	...	...					(25,374)	(20,950)
Goodwill	...	...	...					9,665	9,711
Consolidated total net assets	...	...	...					109,291	104,827
Segmental property, plant and equipment (PPE) capital expenditure									
								2019 £'000	2018 £'000
Goodwin PLC	...	...	...	...	...	...	...	3,602	6,880
Mechanical Engineering	...	...	...	...	...	...	...	6,461	2,176
Refractory Engineering	...	...	...	...	...	...	...	616	360
								10,679	9,416
Segmental depreciation, amortisation and impairment									
								2019 £'000	2018 £'000
Goodwin PLC	...	...	...	...	...	...	...	2,367	2,144
Mechanical Engineering	...	...	...	...	...	...	...	3,175	2,629
Refractory Engineering	...	...	...	...	...	...	...	1,589	1,608
								7,131	6,381

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.

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, 2019				Year ended 30th April, 2018			
	Revenue £'000	Operational net assets £'000	Non-current assets £'000	PPE Capital expenditure £'000	Revenue £'000	Operational net assets £'000	Non-current assets £'000	PPE Capital expenditure £'000
UK	27,934	74,780	80,300	6,044	27,829	70,558	76,325	8,301
Rest of Europe	24,205	7,035	3,605	2,300	31,246	12,477	3,281	772
USA	8,100	-	-	-	3,742	-	-	-
Pacific Basin	28,956	14,779	6,855	84	23,052	14,785	8,003	154
Rest of World	37,851	12,697	6,944	2,251	38,942	7,007	5,374	189
Total	127,046	109,291	97,704	10,679	124,811	104,827	92,983	9,416

5. Revenue

The Group's revenue is derived from contracts with customers. The nature and effect, on the Group's financial statements, of applying IFRS15 for the first time are outlined in note 3.

The following tables provide an analysis of revenue by geographical market and by product line.

Geographical market

	Year ended 30th April, 2019			Year ended 30th April, 2018		
	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000
UK	16,877	11,057	27,934	16,346	11,483	27,829
Rest of Europe	16,282	7,923	24,205	23,147	8,099	31,246
USA	8,017	83	8,100	3,623	119	3,742
Pacific Basin	12,848	16,108	28,956	8,207	14,845	23,052
Rest of World	28,351	9,500	37,851	29,338	9,604	38,942
Total	82,375	44,671	127,046	80,661	44,150	124,811

Product lines

	Year ended 30th April, 2019			Year ended 30th April, 2018		
	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000
Standard products and consumables	7,785	44,671	52,456	5,962	44,150	50,112
Minimum period contracts	4,996	-	4,996	6,133	-	6,133
Bespoke products – over time	34,538	-	34,538	21,278	-	21,278
Bespoke products – point in time	35,056	-	35,056	47,288	-	47,288
Total	82,375	44,671	127,046	80,661	44,150	124,811

Contract balances

The following table presents information about receivables, contract assets and liabilities from contracts with customers.

										30th April 2019 £'000	1st May 2018 £'000
Receivables – included in "Trade and other receivables"	...	...	...	...	...	...	...	...	...	23,279	18,299
Contract assets	...	...	...	...	...	...	...	...	...	3,698	5,059
Contract liabilities	...	...	...	...	...	...	...	...	...	(18,002)	(14,625)
Net book value at the end of the period	...	...	...	...	...	...	...	...	...	8,975	8,733

The Group has recognised the cumulative effect of applying IFRS 15 for the first time as an adjustment to the opening balance at 1st May, 2018. Contract assets and liabilities as at 30th April, 2018 have been adjusted, in this table only, to reflect the impact of IFRS 15.

The contract assets represent the Group's rights to consideration for work completed but not invoiced at the reporting date for bespoke products contracts. Contract assets are transferred to receivables when the rights to consideration become unconditional. This is generally when the Group invoices the customer. Where payments are received in advance and exceed the costs incurred in constructing the asset together with the forecast margin earned, the balances are disclosed as contract liabilities.

Of the contract liabilities recognised at the beginning of the period, revenue of £4,124,000 has been recognised in the year ended 30th April, 2019.

Revenue of £Nil has been recognised in the year ended 30th April, 2019 from performance obligations, which were satisfied (or partially satisfied) in previous periods.

The Group has applied the practical expedient in IFRS 15, paragraph 121, and has not disclosed the remaining performance obligations for contracts which have an original expected duration of one year or less. The aggregate amount of the transaction price allocated to the performance obligations for longer-term contracts, which are unsatisfied (or partially unsatisfied) as at the end of the reporting period is £72,914,000. The longest of these contracts is due to be completed in 2023.

Incremental costs of obtaining contracts lasting less than one year, are recognised as an expense, when incurred, in accordance with the practical expedient in IFRS 15, paragraph 94.

The Group's revenue is not significantly impacted by seasonal or cyclical events.

6. Expenses and auditor's remuneration

Included in profit before taxation are the following:	2019	2018
	£'000	£'000
Charged / (credited) to the statement of profit or loss		
Depreciation:		
Owned assets	5,571	5,010
Assets held under finance leases	248	233
Amortisation of intangible assets	1,312	1,138
Profit on sale of land and buildings in India	-	(1,602)
Loss on sale of other tangible fixed assets	13	34
Operating lease rentals:		
Rental of premises	732	728
Short-term plant hire	94	89
Research and development expensed as incurred	823	308
Impairment of trade receivables charged to the statement of profit or loss	38	64
Foreign exchange losses / (gains)	(551)	149
Fees receivable by the auditor and the auditor's associates in respect of:		
Audit of these financial statements	120	56
Audit of the financial statements of subsidiaries	222	119
Other non-audit related services:		
Other assurance services	4	76
Share-based provisions	1,220	1,024
Hedge ineffectiveness transferred to the statement of profit or loss	-	(1,224)
Government grants received against research and development, infrastructure spend and training costs	(1,323)	(257)

7. 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	
	2019	2018
Works personnel	1,032	993
Administration staff	50	49
	1,082	1,042

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	36,008	32,345
Social security costs	3,711	3,303
Other pension costs	1,470	1,489
	41,189	37,137

Details of the Directors' remuneration can be found within the Directors' Remuneration Report on page 27. The emoluments of the highest paid Director were £397,000 (2018: £385,000). The emoluments included Company pension contributions of £11,000 (2018: £11,000) which were made to a defined contribution scheme on his behalf. The number of Directors, who were members of a defined contribution pension scheme, was 8 (2018: 8).

A charge of £1,220,000 for the LTIP (2018: £1,024,000) has been recognised in the year, but not included in the above table. Further information is contained in note 35.

8. Financial expenses

	2019	2018
	£'000	£'000
Interest expense on finance leases	64	89
Interest expense on bank loans and overdrafts	527	673
Capitalised interest on fixed asset projects	(132)	(172)
Gain on previously held interest in equity associates (see note 13)	(225)	-
Financial expenses	234	590

9. Taxation

Recognised in the statement of profit or loss											2019	2018
											£'000	£'000
Current tax expense												
Current year	...	...	...	...	...	...	...	...	...	...	4,100	3,361
Over provision in prior years	...	...	...	...	...	...	...	...	...	...	(55)	(97)
											4,045	3,264
Deferred tax expense												
Origination and reversal of temporary differences – current year	...	...	...	...	...	...	...	...	...	...	186	482
Origination and reversal of temporary differences – (over) / under provision in prior years	...	...	...	...	...	...	...	...	...	...	(268)	155
Origination and reversal of temporary differences – rate change to prior year	...	...	...	...	...	...	...	...	...	...	-	(36)
											(82)	601
Total tax expense											3,963	3,865
Reconciliation of effective tax rate											2019	2018
											£'000	£'000
Profit before taxation	...	...	...	...	...	...	...	...	...	...	16,410	13,300
Tax using the UK corporation tax rate of 19.00% (2018: 19.00%)	...	...	...	...	...	...	...	...	...	...	3,118	2,527
Non-taxable income	...	...	...	...	...	...	...	...	...	...	(79)	(43)
Non-deductible expenses	...	...	...	...	...	...	...	...	...	...	55	90
Overseas intercompany profits	...	...	...	...	...	...	...	...	...	...	163	-
Other permanent timing differences	...	...	...	...	...	...	...	...	...	...	198	162
(Over) / under provision in prior years	...	...	...	...	...	...	...	...	...	...	(323)	58
Losses not recognised	...	...	...	...	...	...	...	...	...	...	114	274
Equity-settled share-based provision	...	...	...	...	...	...	...	...	...	...	-	195
Rate change to prior year	...	...	...	...	...	...	...	...	...	...	-	(36)
Withholding tax unrelieved	...	...	...	...	...	...	...	...	...	...	177	118
Difference in overseas tax rates	...	...	...	...	...	...	...	...	...	...	606	664
Difference between corporation and deferred tax rates	...	...	...	...	...	...	...	...	...	...	9	(67)
Effect of equity accounting for associates	...	...	...	...	...	...	...	...	...	...	(75)	(77)
Total tax expense											3,963	3,865

Where subsidiary companies have incurred losses in the year, which are unlikely to be relieved against future profits in the next twelve months, deferred tax assets are not recognised.

Withholding tax unrelieved represents withholding tax deducted on dividends from overseas subsidiaries and associates.

The Group's total taxes payable in respect of the year ending 30th April, 2019, comprising Corporation Tax, PAYE and National Insurance was £15.0 million (2018: £14.4 million).

Deferred tax recognised directly in equity

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

	2019	2018
	£'000	£'000
Cash flow hedge deferred tax (credit) / charge	(154)	818

10. Earnings per share

The earnings per ordinary share has been calculated on profit for the year attributable to ordinary shareholders of £11,505,000 (2018: £8,504,000) and by reference to the 7,200,000 ordinary shares in issue throughout both years.

There is a share option scheme in place for the Directors of the Company under the Company's Equity Long Term Investment Plan (LTIP), based on the Company exceeding a target growth in the total shareholder return of the Company over the period from 1st May, 2016 to 30th April, 2019. In total, 489,600 share options vested at 1st May, 2019. The effect of the potentially dilutive ordinary shares is 488,056 (2018: Nil) and the weighted average number of ordinary shares used to calculate the diluted earnings per share is 7,688,056 (2018: 7,200,000).

11.Dividends paid

	2019 £'000	2018 £'000
Paid ordinary dividends during the year in respect of prior years		
83.473p (2018: 42.348p) per qualifying ordinary share	6,010	3,049
Dividends paid to minority shareholders in Noreva GmbH	116	88
Total dividends	6,126	3,137

After the balance sheet date an ordinary dividend of 96.21p per qualifying ordinary share was proposed by the Directors (2018: Ordinary dividend of 83.473p).

The proposed current year ordinary dividend of £6,927,000 has not been provided for within these financial statements (2018: Proposed ordinary dividend of £6,010,000 was not provided for within the comparative figures).

As explained in note 13, Noreva has been an 87.5% owned subsidiary, which is treated as a 100% owned subsidiary, because there were both put and call options in place for the remaining 12.5%. During the year, the Group paid for the remaining 12.5% shareholding in Noreva.

12.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					
Balance at 1st May, 2017	30,830	68,826	3,777	6,074	109,507
Additions	126	2,577	90	6,623	9,416
Reclassification	69	1,249	(18)	(1,300)	-
Disposals	(243)	(629)	(39)	-	(911)
Exchange adjustment	(365)	(191)	9	-	(547)
Balance at 30th April, 2018	30,417	71,832	3,819	11,397	117,465
Balance at 1st May, 2018	30,417	71,832	3,819	11,397	117,465
Additions	4,467	3,834	213	2,165	10,679
Additions - company acquisitions	411	285	62	-	758
Reclassification	6,638	2,223	(50)	(8,811)	-
Disposals	(15)	(1,452)	(91)	-	(1,558)
Exchange adjustment	(110)	(194)	(4)	16	(292)
Balance at 30th April, 2019	41,808	76,528	3,949	4,767	127,052
Depreciation					
Balance at 1st May, 2017	5,078	36,438	2,252	-	43,768
Charged in year	839	4,102	302	-	5,243
Reclassification	43	(50)	7	-	-
Disposals	(74)	(480)	(37)	-	(591)
Exchange adjustment	(65)	(54)	10	-	(109)
Balance at 30th April, 2018	5,821	39,956	2,534	-	48,311
Balance at 1st May, 2018	5,821	39,956	2,534	-	48,311
Charged in year	1,088	4,410	321	-	5,819
Depreciation - company acquisitions	195	122	32	-	349
Reclassification	(47)	76	(29)	-	-
Disposals	-	(1,312)	(91)	-	(1,403)
Exchange adjustment	(22)	(105)	(3)	-	(130)
Balance at 30th April, 2019	7,035	43,147	2,764	-	52,946
Net book value					
At 1st May, 2017... ..	25,752	32,388	1,525	6,074	65,739
At 30th April, 2018 and 1st May, 2018	24,596	31,876	1,285	11,397	69,154
At 30th April, 2019... ..	34,773	33,381	1,185	4,767	74,106

12. Property, plant and equipment (continued)

Plant and machinery

During the year, £542,000 (2018: £Nil) of the property, plant and equipment additions were acquired under finance leases.

At 30th April, 2019, the net carrying amount of leased plant and machinery was £3,946,000 (2018: £3,780,000). The leased equipment secures lease obligations (see note 20).

Assets in the course of construction of £4,767,000 (2018: £11,397,000) comprise £181,000 (2018: £6,093,000) in relation to land and buildings and £4,586,000 (2018: £5,304,000) for plant and machinery.

Government grants related to tangible fixed assets

Additions to fixed assets are after deducting grants receivable of £Nil (2018: £Nil).

Security

There is a charge over Noreva GmbH's land and buildings of €1,600,000 to secure a bank loan repayable by instalments (see note 20).

13. Investments in subsidiaries

The Group has the following principal subsidiaries. Non-principal subsidiaries are listed in note 32:

				Registered address*	Country of Incorporation	Class of shares held	% held
<i>Subsidiaries:</i>							
Mechanical Engineering:							
Goodwin Steel Castings Limited	...	...	...	1	England and Wales	Ordinary	100
Goodwin International Limited	...	...	...	1	England and Wales	Ordinary	100
Easat Radar Systems Limited	...	...	...	1	England and Wales	Ordinary	77
Goodwin Korea Company Limited	...	...	...	3	South Korea	Ordinary	95
Goodwin Pumps India Private Limited	...	...	...	4	India	Ordinary	100
Goodwin Shanghai Company Limited	...	...	...	5	China	Ordinary	100
Noreva GmbH	...	...	...	6	Germany	Ordinary	100**
Goodwin (Shanxi) Pump Company Limited	...	...	...	7	China	Ordinary	100
Goodwin Indústria e Comércio de Bombas							
Submersas Ltda	...	...	...	8	Brazil	Ordinary	100
Internet Central Limited	...	...	...	1	England and Wales	Ordinary	82.5
Goodwin Submersible Pumps Australia Pty. Limited				9	Australia	Ordinary	100
Metal Proving Services Limited	...	...	...	1	England and Wales	Ordinary	100
NRPL Aero Oy	...	...	...	10	Finland	Ordinary	77
Goodwin Submersible Pumps Africa Pty. Limited	...	...	...	15	South Africa	Ordinary	100
Refractory Engineering:							
Goodwin Refractory Services Limited	...	...	...	1	England and Wales	Ordinary	100
Dupré Minerals Limited	...	...	...	1	England and Wales	Ordinary/Preference	100
Hoben International Limited	...	...	...	2	England and Wales	Ordinary	100
Gold Star Powders Private Limited	...	...	...	4	India	Ordinary	100
Siam Casting Powders Limited	...	...	...	11	Thailand	Ordinary	57.7
Ultratec Jewelry Supplies Limited	...	...	...	12	China	Ordinary	75.5
SRS (Qingdao) Casting Materials Company Limited				13	China	Ordinary	75.5
Gold Star Brazil Limited	...	...	...	8	Brazil	Ordinary	100
Jewelry Plaster Limited	...	...	...	14	Thailand	Ordinary/Preference	74.5

*The registered address for each company can be found in note 34.

**In the previous year, Noreva was an 87.5% owned subsidiary. It has been treated as a 100% subsidiary by virtue of there having been both put and call options in place for the remaining 12.5% of the share capital. During the current financial year, the Company acquired the remaining 12.5% of Noreva.

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

Acquisition of subsidiaries

On 26th April, 2019, the Group acquired 25% of Asian Industrial Investment Casting Powders Private Limited (Asian Industrial), increasing its interest from 50% to 75%, and increasing its control of the company. The Group had an existing shareholding of 49% in Jewelry Plaster Limited (Jewelry Plaster), which owns 100% of Jewelry Wax Limited, and by acquiring a further 25.5% shareholding, increased its total ownership to 74.5% and obtained control of the company.

Consideration

The consideration for the Asian Industrial shares was £40,000 in cash. For the Jewelry Plaster shares, the Group paid £777,000 in cash. In addition, contingent consideration will be payable, based on the pre tax profits of Jewelry Plaster for the financial year to 30th April, 2020. The current fair value of this contingent consideration is £204,000. This amount could increase by £6,000 if the pre tax profits of Jewelry Plaster were to be 1% higher.

13. Investments in subsidiaries (continued)

Acquisition of subsidiaries (continued)

Acquisition-related costs

The legal fees incurred in relation to the acquisition were £10,000, and have been reported within administrative expenses.

Identifiable assets acquired and liabilities assumed

The table below analyses the total identifiable net assets of Asian Industrial and Jewelry Plaster acquired. The net assets of Asian Industrial are not shown separately because the value is insignificant.

	£'000
Property, plant and equipment	409
Investments	354
Intangibles	803
Inventories	803
Trade and other financial assets	1,339
Non-financial assets	91
Cash and cash equivalents	392
Short-term interest-bearing loans and borrowings	(11)
Trade and other financial liabilities	(2,623)
Non-financial liabilities	(159)
Long-term interest-bearing loans and borrowings	(31)
Total identifiable net assets acquired	1,367

Goodwill

The goodwill arising from the acquisitions has been recognised as follows:

	£'000
Asian Industrial cash consideration	40
Jewelry Plaster cash consideration	777
Jewelry Plaster contingent consideration	204
Fair value of pre-existing interest in Asian Industrial and Jewelry Plaster (note 14)	279
Fair value of identifiable net assets	(1,367)
Non-controlling interests	142
Goodwill	75

The non-controlling interests have been calculated as the proportionate share of the identifiable net assets of Asian Industrial and Jewelry Plaster.

The pre-existing equity interest in Asian Industrial and Jewelry Plaster was stated at fair value before the acquisition of the additional shares. No further fair value adjustments have been made to the value of identifiable net assets, and there has been no gain or loss on re-measuring to fair value the Group's existing associate investments, at the date of acquisition. However, the translation reserve at the date of acquisition has been realised and an unrealised gain previously recognised in OCI has been reported within financial expenses (see note 8).

NCI – Non-controlling interests

The following subsidiaries each have non-controlling interests:

	Registered address*	Country of Incorporation	Class of shares held	% held by NCI
<i>Mechanical Engineering:</i>				
Easat Radar Systems Limited	1	England and Wales	Ordinary	23
Goodwin Korea Company Limited	3	South Korea	Ordinary	5
Internet Central Limited	1	England and Wales	Ordinary	17.5
NRPL Aero Oy	10	Finland	Ordinary	23
<i>Refractory Engineering:</i>				
Asian Industrial Investment Casting Powders				
Private limited	4	India	Ordinary	25
Jewelry Plaster Limited	14	Thailand	Ordinary	25.5
Jewelry Wax Limited	14	Thailand	Ordinary	25.5
Siam Casting Powders Limited	11	Thailand	Ordinary	42.3
SRS Guangzhou Limited	12	China	Ordinary	24.5
SRS (Qingdao) Casting Materials Company Limited	13	China	Ordinary	24.5
Shenzhen King-Top Modern Hi-Tech Company Limited	16	China	Ordinary	24.5
Ultratec Jewelry Supplies Limited	12	China	Ordinary	24.5
Ying Tai (UK) Limited	1	England and Wales	Ordinary	24.5

13. Investments in subsidiaries (continued)

Acquisition of NCI

In April 2019, the Group acquired an additional 24.5% in Ultratec, which owns Shenzhen King-Top Modern Hi-Tech Company, and a further shareholding of 24.5% in Ying Tai (UK), which owns SRS Guangzhou and SRS (Qingdao) Casting Materials Company. Through its acquisition of additional shares in Jewelry Plaster, the Group acquired a further 2.3% stake in Siam Casting Powders.

	Ultratec Group	Ying Tai (UK) Group	Siam Casting Powders	Total
	£'000	£'000	£'000	£'000
Carrying value of NCI acquired	859	800	91	1,750
Consideration paid to NCI	(1,765)	(403)	(354)	(2,522)
Goodwill arising from purchase of NCI in subsidiaries ...	(906)	397	(263)	(772)

The decrease in equity attributable to owners of the Company comprised a decrease in retained earnings of £592,000 and a decrease of £180,000 in the translation reserve.

The financial information on subsidiaries with non-controlling interests has been aggregated, analysing the data by segment, as the entities in each segment have similar characteristics and risk profiles.

	Mechanical Engineering		Refractory Engineering		Total	
Year Ended 30th April	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Profit allocation to non-controlling interests	91	314	851	617	942	931
Dividends paid to non-controlling interests	-	-	451	-	451	-
Accumulated reserves held by non-controlling interests	678	904	3,448	4,355	4,126	5,259

The summarised financial information below represents the amounts in the financial statements of the subsidiaries, before any intercompany eliminations, and does not reflect the Group's share of those amounts. The results for the year of both Jewelry Plaster and Asian Industrial are shown within share of profit of associate companies, on the basis that the effective acquisition date was 26th April, 2019.

	Mechanical Engineering		Refractory Engineering		Total	
Year Ended 30th April	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Non-current assets	2,291	5,707	9,554	9,743	11,845	15,450
Current assets	21,717	11,491	13,827	9,338	35,544	20,829
Current liabilities	(17,723)	(9,023)	(8,079)	(3,734)	(25,802)	(12,757)
Non-current liabilities	(1,874)	(3,738)	(29)	(2,142)	(1,903)	(5,880)
Total net assets of companies with non-controlling interests	4,411	4,437	15,273	13,205	19,684	17,642
Revenue of companies with non-controlling interests	12,294	14,887	15,796	14,521	28,090	29,408
Profit for the year of companies with non-controlling interests ...	1,333	1,518	1,844	2,064	3,177	3,582
Total comprehensive income of companies with non-controlling interests	1,475	1,916	1,933	2,409	3,408	4,325

14. Investments in associates

The Group's share of profit after tax in its associates for the year ended 30th April, 2019 was £233,000 (2018: £310,000).

Summary financial information of Group's share of associates is as follows:

											2019	2018
											£'000	£'000
Balance at 1st May	...	...	...	...	...	...	...	...	...	...	1,963	2,045
Profit before tax	...	...	...	...	...	...	...	...	...	...	298	387
Tax	...	...	...	...	...	...	...	...	...	...	(65)	(77)
Dividend	...	...	...	...	...	...	...	...	...	...	(1,254)	(441)
Exchange adjustment	...	...	...	...	...	...	...	...	...	...	76	49
Disposal	...	...	...	...	...	...	...	...	...	...	(279)	-
Balance at 30th April...	...	...	...	...	...	...	...	...	...	...	739	1,963
Assets	...	...	...	...	...	...	...	...	...	...	1,112	2,661
Liabilities	...	...	...	...	...	...	...	...	...	...	(373)	(698)
											739	1,963

On 26th April 2019, the Group increased its ownership and control of Asian Industrial and Jewelry Plaster. The Group's pre-existing interest in these two companies has been reported as a disposal in the year. Details of the acquisitions are included in note 13.

Summarised financial information of the Group's share of the individually material associate, Jewelry Plaster, is shown below. The figures for 2019 reflect trading for the full year, before the Group increased its control of the company.

	2019	2018
	£'000	£'000
Revenue	1,406	1,543
Profit after tax	148	221
Non-current assets	-	385
Current assets	-	915
Current liabilities	-	(220)
Group equity investment in associate	-	1,080

15. Intangible assets

	Goodwill £'000	Brand names and intellectual property £'000	Order book £'000	Manufact- uring rights £'000	Software and Licences £'000	Develop- ment costs £'000	Total £'000
Cost							
Balance at 1st May, 2017 ...	9,872	7,026	173	5,117	336	2,478	25,002
Additions... ..	-	-	-	-	378	3,334	3,712
Disposals... ..	(60)	(209)	(17)	-	-	-	(286)
Exchange adjustments ...	238	157	6	-	(6)	32	427
Balance at 30th April, 2018	10,050	6,974	162	5,117	708	5,844	28,855
Balance at 1st May, 2018 ...	10,050	6,974	162	5,117	708	5,844	28,855
Additions... ..	75	799	-	201	115	1,500	2,690
Additions – company acquisition	-	-	-	-	4	-	4
Disposals... ..	-	(19)	-	-	(135)	-	(154)
Exchange adjustment ...	(117)	(80)	(3)	-	(8)	(31)	(239)
Balance at 30th April, 2019	10,008	7,674	159	5,318	684	7,313	31,156
Amortisation and impairment							
Balance at 1st May, 2017 ...	399	4,580	173	1,241	68	301	6,762
Amortisation for the year ...	-	515	-	295	215	113	1,138
Disposals... ..	(60)	(209)	(17)	-	-	-	(286)
Exchange adjustment ...	-	97	6	-	(2)	2	103
Balance at 30th April, 2018	339	4,983	162	1,536	281	416	7,717
Balance at 1st May, 2018 ...	339	4,983	162	1,536	281	416	7,717
Amortisation for the year ...	-	514	-	309	219	270	1,312
Disposals... ..	-	(19)	-	-	(135)	-	(154)
Exchange adjustment ...	4	(67)	(3)	-	-	(7)	(73)
Balance at 30th April, 2019	343	5,411	159	1,845	365	679	8,802
Net book value							
At 1st May, 2017... ..	9,473	2,446	-	3,876	268	2,177	18,240
At 30th April, 2018 and 1st May, 2018	9,711	1,991	-	3,581	427	5,428	21,138
At 30th April, 2019	9,665	2,263	-	3,473	319	6,634	22,354

Customer lists are included within brand names and intellectual property or within manufacturing rights, depending on the nature of the acquisition; non-compete agreements are disclosed within manufacturing rights.

During the year, the Group added to its portfolio of intangible assets. The main additions are £432,000 on the development of a new valve range by Goodwin International, £148,000 on refractory development projects in Goodwin Refractory Services, and £920,000 on the development of radar equipment within Easat Radar Systems and NRPL Aero. Details of the addition to goodwill and brand names are outlined in note 13.

Amortisation and impairment charges

The amortisation charge of £1,312,000 (2018: £1,138,000) is recognised in cost of sales in the statement of profit or loss.

15. 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:

	2019	2018
	£'000	£'000
Noreva GmbH	4,688	4,784
Goodwin Refractory Services Holdings Limited	3,346	3,346
NRPL Aero Oy... ..	1,245	1,270
Other	386	311
	9,665	9,711

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 three 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 growth rates of typically 0% to 15% thereafter, extrapolated over the minimum expected life span of the unit. The forecasts are then discounted at an appropriate pre tax weighted average cost of capital rate considering the perceived levels of risk, ranging between 19% and 21% (2018: 16.9%) for the Mechanical Engineering Division and 14% to 22% (2018: 15.8%) for the Refractory Engineering Division. Further sensitivity tests are then performed reducing the discounted cash flows by 10% and also increasing the discount rate by a range of up to 10% 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.

16. Inventories

	2019	2018
	£'000	£'000
Raw materials and consumables	15,576	11,726
Work in progress	23,324	9,676
Finished goods	11,624	7,448
	50,524	28,850

The amount of inventory impaired during the year was £377,000 (2018: £675,000).

The Group carries provisions against inventories as follows:

	2019	2018
	£'000	£'000
Raw materials and consumables	253	208
Work in progress	829	1,077
Finished goods	337	456
	1,419	1,741

17. Trade and other financial assets

Balances due within one year										2019	2018
										£'000	£'000
Trade receivables ...	...	...	...	...	...	...	...	...	...	23,279	18,375
Other financial assets ...	...	...	...	...	...	...	...	...	...	1,685	1,678
										24,964	20,053

The Group has a long-term receivable balance due from an associate company, which is repayable within five years. The balance, which is due after more than one year is disclosed within non-current assets, with the balance due within one year, of £240,000 (2018: £220,000) being reported within other current financial assets. Interest is charged at a commercial rate.

Balances due after more than one year										2019	2018
										£'000	£'000
Other receivables ...	...	...	...	...	...	...	...	...	...	505	728

18. Other receivables

										2019	2018
										£'000	£'000
Prepayments and other non-financial assets ...	...	...	...	...	...	...	...	...	...	2,476	1,810
Corporation tax receivable ...	...	...	...	...	...	...	...	...	...	176	24
Deferred tax asset (see note 25) ...	...	...	...	...	...	...	...	...	...	63	27
										2,715	1,861

19. Cash and cash equivalents

										2019	2018
										£'000	£'000
Cash and cash equivalents per balance sheet ...	...	...	...	...	...	...	...	...	...	9,640	7,485
Bank overdrafts ...	...	...	...	...	...	...	...	...	...	(9,147)	(4,585)
Cash and cash equivalents per cash flow statement ...	...	...	...	...	...	...	...	...	...	493	2,900

20. 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 27.

Non-current liabilities										2019	2018
										£'000	£'000
Finance lease liabilities ...	...	...	...	...	...	...	...	...	...	1,164	1,687
Bank loans and committed facilities ...	...	...	...	...	...	...	...	...	...	19,322	4,088
										20,486	5,775
Current liabilities											
Finance lease liabilities ...	...	...	...	...	...	...	...	...	...	939	861
Bank loans and committed facilities ...	...	...	...	...	...	...	...	...	...	112	7,022
Bank overdrafts ...	...	...	...	...	...	...	...	...	...	9,147	4,585
										10,198	12,468

20. Interest-bearing loans and borrowings (continued)

Reconciliation of liabilities arising from financing activities

	Opening balance 1st May 2018 £'000	Change in bank overdrafts £'000	Company acquisition £'000	Cash flows £'000	Foreign exchange movement £'000	Closing balance 30th April 2019 £'000
Bank overdrafts used for cash management	4,585	4,562	-	-	-	9,147
Bank loans	11,000	-	-	7,000	-	18,000
Bank loans repayable by instalments	110	-	-	1,337	(13)	1,434
Finance lease liabilities	2,548	-	42	(487)	-	2,103
	18,243	4,562	42	7,850	(13)	30,684
	Opening balance 1st May 2017 £'000	Change in bank overdrafts £'000	Company acquisition £'000	Cash flows £'000	Foreign exchange movement £'000	Closing balance 30th April 2018 £'000
Bank overdrafts used for cash management	6,655	(2,070)	-	-	-	4,585
Bank loans	23,000	-	-	(12,000)	-	11,000
Bank loans repayable by instalments	149	-	-	(44)	5	110
Finance lease liabilities	3,413	-	-	(865)	-	2,548
	33,217	(2,070)	-	(12,909)	5	18,243

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2019			2018		
	Minimum lease payments £'000	Interest £'000	Principal £'000	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	980	41	939	922	61	861
Between one and five years	1,184	20	1,164	1,737	50	1,687
	2,164	61	2,103	2,659	111	2,548

Bank loans repayable by instalments

Bank loans are payable as follows:

	2019			2018		
	Minimum loan payments £'000	Interest £'000	Principal £'000	Minimum loan payments £'000	Interest £'000	Principal £'000
Less than one year	138	26	112	24	2	22
Between one and five years	389	91	298	96	8	88
More than five years	1,173	149	1,024	-	-	-
	1,700	266	1,434	120	10	110

21. Trade and other financial liabilities

	2019 £'000	2018 £'000
Trade payables	17,012	15,324
Other financial liabilities...	1,701	954
Other taxation and social security costs	1,857	1,580
	20,570	17,858

22. Other payables

	2019 £'000	2018 £'000
Accrued expenses...	4,300	3,289
Advance payments from customers	471	5,532
	4,771	8,821

23. Deferred consideration

	2019 £'000	2018 £'000
Deferred consideration on acquisitions	204	500

The deferred consideration at 30th April, 2018 of £500,000 related to the acquisition of Noreva GmbH, which was settled during this financial year. At 30th April, 2019, the balance relates to the acquisition of Jewelry Plaster (see note 13).

24. Warranty provision

	2019 £'000	2018 £'000
Balance at 1st May	513	395
Generated	166	227
Credited to the statement of profit or loss	(176)	(124)
Exchange adjustment	(10)	15
Balance at 30th April...	493	513
Warranty due within one year	261	184
Warranty due after one year	232	329
Balance at 30th April...	493	513

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

25. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Property, plant and equipment	-	-	(3,014)	(2,661)
Intangible assets	-	-	(1,306)	(1,510)
Derivative financial instruments	252	199	-	-
Share-based payments reserve	2,630	-	-	-
Other temporary differences	125	40	-	-
	3,007	239	(4,320)	(4,171)
			2019 £'000	2018 £'000
Deferred tax asset (see note 18)			63	27
Deferred tax liability			(1,376)	(3,959)
			(1,313)	(3,932)

25. Deferred tax assets and liabilities (continued)

	Property, plant and equipment £'000	Intangible assets £'000	Derivative financial instruments £'000	Share- based payments reserve £'000	Other temporary differences £'000	Total £'000
Balance at 1st May, 2017	(2,258)	(1,170)	778	-	116	(2,534)
Recognised in profit or loss ...	(439)	(325)	239	-	(76)	(601)
Recognised in equity ...	-	-	(818)	-	-	(818)
Exchange adjustment ...	36	(15)	-	-	-	21
Balance at 30th April, 2018	(2,661)	(1,510)	199	-	40	(3,932)
Impact of IFRS 15 ...	-	-	-	-	214	214
Recognised in profit or loss ...	(347)	175	(101)	484	(129)	82
Recognised in equity ...	-	-	154	2,146	-	2,300
Exchange adjustment ...	(6)	29	-	-	-	23
Balance at 30th April, 2019	(3,014)	(1,306)	252	2,630	125	(1,313)

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, 2019, the Group has not recognised £690,000 of deferred tax assets in relation to the accumulated losses (2018: £1,077,000) within overseas subsidiaries.

The Finance Act 2016, which included legislation reducing the main rate of corporation tax from 20% to 19% from 1st April, 2017 and to 17% from 1st April, 2020, was fully enacted on 15th September, 2016. The deferred tax liability at 30th April, 2018 and at 30th April, 2019 has been calculated based on these rates.

26. Capital and reserves

Share capital	2019 £'000	2018 £'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.

Translation reserve

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

Share-based payments reserve

The share-based payments reserve is a non cash-impacting provision, as required by Accounting Standard IFRS 2, relating to the Equity Long Term Incentive Plan, which vested at 1st May, 2019. Further details are included in note 35.

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.

Deferred tax

The aggregate deferred tax relating to items that are recognised in equity is an asset of £2,350,000 (2018: £50,000), being £2,146,000 (2018: £Nil) in respect of the Equity Long Term Incentive Plan and £204,000 (2018: £50,000) in respect of derivatives.

27. 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 risk 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.

27. Financial risk management (continued)

(a) Credit risk (continued)

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 backed by credit insurance.
- 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.

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:

										Carrying amount	
										2019	2018
										£'000	£'000
Contract assets	...	...	...	...	...	...	...	...	5	3,698	6,046
Trade and other financial assets – due after more than one year	...	...	...	...	...	...	...	...	17	505	728
Trade and other financial assets – due within one year	...	...	...	...	...	...	...	...	17	24,964	20,053
Cash at bank and cash equivalents	...	...	...	...	...	...	...	...	19	9,640	7,485
Derivative financial assets...	...	...	...	...	...	...	...	...	27(e)	195	364
										39,002	34,676

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

										Carrying amount	
										2019	2018
										£'000	£'000
UK	...	...	...	...	...	...	...	...	...	4,914	3,209
Rest of Europe	...	...	...	...	...	...	...	...	...	3,732	4,665
USA	...	...	...	...	...	...	...	...	...	719	441
Pacific Basin	...	...	...	...	...	...	...	...	...	7,994	3,517
Rest of World	...	...	...	...	...	...	...	...	...	5,920	6,543
										23,279	18,375

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

	Net		Gross		Impairment provision		Net		Gross		Impairment provision	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Not past due	...	...	16,956	16,956	-	-	12,910	12,910	-	-	-	-
Past due 1-30 days	...	...	3,944	3,944	-	-	2,414	2,414	-	-	-	-
Past due 31-90 days	...	...	1,190	1,190	-	-	2,321	2,321	-	-	-	-
Past due more than 90 days	...	...	1,189	1,470	(281)	(281)	730	1,159	(429)	(429)	(429)	(429)
	23,279	23,560			(281)	(281)	18,375	18,804			(429)	(429)

Management believes that there are no significant credit risks remaining with the above net receivables and that 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.

An analysis of the provision for impairment of receivables is as follows:

										2019	2018
										£'000	£'000
At beginning of year	...	...	...	...	...	...	...	...	...	429	624
Exchange adjustment	...	...	...	...	...	...	...	...	...	(1)	2
Impairment charged through the statement of profit or loss	...	...	...	...	...	...	...	...	...	38	64
Impairment provision utilised during the year	...	...	...	...	...	...	...	...	...	(185)	(261)
At end of year	...	...	...	...	...	...	...	...	...	281	429

27. 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Unutilised bank facilities ...	7,585	12,965	15,000	22,000	22,585	34,965

The Group's principal borrowing facilities are provided by three 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.

	2019 Contractual cash flows				2019 Carrying value
	Within 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000	Total £'000
Non-derivative financial liabilities					
Bank loans and committed facilities ...	138	18,389	1,173	19,700	19,434
Overdrafts ...	9,147	-	-	9,147	9,147
Finance leases ...	980	1,184	-	2,164	2,103
Trade and other financial liabilities ...	20,570	-	-	20,570	20,570
Deferred consideration on acquisitions	204	-	-	204	204
Total ...	31,039	19,573	1,173	51,785	51,458

The 30th April, 2019 bank loans and committed facilities are repayable as follows: bank overdraft on demand £9 million, £10 million within year end 30th April, 2021 and £8 million within year end 30th April, 2024. The interest rates chargeable on these loans are on a floating basis against LIBOR and UK base rate, with bank margins of less than 2%. There is also a bank loan of £1.4 million repayable by instalments, with the final payment due in the year ended 30th April, 2039. Interest is charged at an effective interest rate of 1.96%, which is fixed for the whole period.

	2018 Contractual cash flows				2018 Carrying value
	Within 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000	Total £'000
Non-derivative financial liabilities					
Bank loans and committed facilities ...	7,246	4,334	-	11,580	11,110
Overdrafts ...	4,585	-	-	4,585	4,585
Finance leases ...	922	1,737	-	2,659	2,548
Trade and other financial liabilities ...	17,858	-	-	17,858	17,858
Deferred considerations on acquisitions	500	-	-	500	500
Total ...	31,111	6,071	-	37,182	36,601

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 statement of profit or loss.

27. Financial risk management (continued)

c) Market risk (continued)

Foreign exchange risk (continued)

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 three 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:

	2019 US Dollar £'000	2018 US Dollar £'000	2019 Euro £'000	2018 Euro £'000	2019 Other £'000	2018 Other £'000	2019 Total £'000	2018 Total £'000
Trade and other receivables	5,076	2,498	1,225	3,159	59	-	6,360	5,657
Cash and cash equivalents	(2,412)	124	(7,172)	235	(35)	(1,825)	(9,619)	(1,466)
Trade and other payables	(169)	(818)	(603)	(626)	(17)	(22)	(789)	(1,466)
	2,495	1,804	(6,550)	2,768	7	(1,847)	(4,048)	2,725

The following significant exchange rates applied during the year:

						Average exchange rate		Reporting date spot rate	
						2019	2018	2019	2018
US Dollar	...	...	...	...	...	1.3046	1.339	1.3040	1.377
Euro	...	...	...	...	...	1.1353	1.132	1.1633	1.140

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 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash and cash equivalents	-	-	9,640	7,485	-	-	9,640	7,485
Contract assets	-	-	-	-	3,698	6,046	3,698	6,046
Trade and financial assets	746	928	-	-	24,723	19,853	25,469	20,781
Derivative assets	-	-	-	-	195	364	195	364
Trade and other financial liabilities	-	-	-	-	(20,570)	(17,858)	(20,570)	(17,858)
Contract liabilities	-	-	-	-	(18,002)	(212)	(18,002)	(212)
Deferred consideration	-	-	-	-	(204)	(500)	(204)	(500)
Derivative liabilities	-	-	-	-	(1,693)	(1,535)	(1,693)	(1,535)
Bank overdrafts	-	-	(9,147)	(4,585)	-	-	(9,147)	(4,585)
Bank loans and committed facilities	(1,370)	-	(18,064)	(11,110)	-	-	(19,434)	(11,110)
Finance lease liabilities	(2,103)	(2,548)	-	-	-	-	(2,103)	(2,548)
	(2,727)	(1,620)	(17,571)	(8,210)	(11,853)	6,158	(32,151)	(3,672)

27. Financial risk management (continued)

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, 2019, the capital used was £126.4 million (2018: £110.8 million) as shown in the following table:

	2019 £'000	2018 £'000
Cash and cash equivalents	(9,640)	(7,485)
Finance leases	2,103	2,548
Bank loans and committed facilities	19,434	11,110
Overdrafts	9,147	4,585
Deferred consideration	204	500
Net debt	21,248	11,258
Total equity attributable to equity holders of the parent ...	105,165	99,568
Capital	126,413	110,826

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 general strategy is to keep the debt to equity ratio below 30%, adjusted where appropriate for the effect of acquisitions. At 30th April, 2019 net debt was £21.2 million (2018: £11.3 million). The gearing ratio, excluding deferred consideration from net debt, is 20.0% (2018: 10.8%).

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 27(b).

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

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, 2019, in Sterling terms, was £53 million spread across USD and EUR denominated contracts. The fair value of these at 30th April, 2019 was a liability of £1,200,000 (being assets totalling £158,000 and liabilities totalling £1,358,000). The Group also had a number of forward contracts not designated as cash flow hedges, and therefore recorded at fair value through the statement of profit or loss. The nominal value of these contracts at 30th April, 2019, in Sterling terms, was £7 million spread across USD and EUR denominated contracts. The fair value of these at 30th April, 2019 was a liability of £298,000 (being assets totalling £37,000, and liabilities totalling £335,000).

The nominal value of forward exchange contracts used as hedges of forecast transactions at 30th April, 2018, in Sterling terms, was £12 million spread across USD and EUR denominated contracts. The fair value of these at 30th April, 2018 was a liability of £294,000 (being assets totalling £Nil and liabilities totalling £294,000). The Group also had a number of forward contracts not designated as cash flow hedges, and therefore recorded at fair value through the statement of profit or loss. The nominal value of these contracts at 30th April, 2018, in Sterling terms, was £35 million spread across USD, EUR and SEK denominated contracts. The fair value of these at 30th April, 2018 was a liability of £877,000 (being assets totalling £364,000, and liabilities totalling £1,241,000).

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 statement of profit or loss. 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 cost of sales.

27. Financial risk management (continued)

d) Capital management (continued)

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:

					2019				
					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	...	...	...	...	158	158	142	16	-
Liabilities	...	...	...	...	(1,358)	(1,358)	(1,213)	(145)	-

					2018				
					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									
Liabilities	...	...	...	...	(294)	(294)	(64)	(230)	-

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.

					2019 £'000	2018 £'000
					(Profit)/loss	(Profit)/loss
Impact on equity						
1% increase in US Dollar fx rate against pound Sterling	...	...	...	...	(406)	(19)
1% increase in Euro fx rate against pound Sterling	...	...	...	...	(253)	(98)
1% decrease in US Dollar fx rate against pound Sterling	...	...	...	...	406	19
1% decrease in Euro fx rate against pound Sterling	...	...	...	...	253	98
Impact on the statement of profit or loss						
1% increase in US Dollar fx rate against pound Sterling	...	...	...	...	(74)	(131)
1% increase in Euro fx rate against pound Sterling	...	...	...	...	95	(207)
1% decrease in US Dollar fx rate against pound Sterling	...	...	...	...	74	131
1% decrease in Euro fx rate against pound Sterling	...	...	...	...	(95)	207
1% increase in interest rates	...	...	...	...	235	109

27. Financial risk management (continued)

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, 2019 and 30th April, 2018.

				30th April, 2019		30th April, 2018	
				Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets							
At amortised cost							
Cash and cash equivalents	...	...	...	9,640	9,640	7,485	7,485
Contract assets	...	...	...	3,698	3,698	6,046	6,046
Trade receivables	...	...	...	23,279	23,279	18,375	18,375
Other receivables	...	...	...	2,190	2,190	2,406	2,406
At fair value through profit and loss							
Derivative financial assets not designated in a cash flow hedge relationship	...	...	...	37	37	364	364
Fair value – hedging instrument							
Derivative financial assets designated and effective as cash flow hedging instruments	...	...	...	158	158	-	-
Total financial assets	...	...	...	39,002	39,002	34,676	34,676

				30th April, 2019		30th April, 2018	
				Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities at amortised cost							
Contract liabilities	...	...	...	18,002	18,002	212	212
Trade payables	...	...	...	17,012	17,012	15,324	15,324
Other financial liabilities	...	...	...	3,558	3,558	2,534	2,534
Deferred consideration	...	...	...	204	204	500	500
Finance lease liabilities	...	...	...	2,103	2,103	2,548	2,548
Bank loans and committed facilities	...	...	...	19,434	19,434	11,110	11,110
Bank overdrafts	...	...	...	9,147	9,147	4,585	4,585
At fair value through the profit and loss							
Derivative financial liabilities not designated in a cash flow hedge relationship	...	...	...	335	335	1,241	1,241
Fair value – hedging instrument							
Derivative financial liabilities designated and effective as cash flow hedging instruments	...	...	...	1,358	1,358	294	294
Total financial liabilities	...	...	...	71,153	71,153	38,348	38,348

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.

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).

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 probability that orders will be received.

For short-term cash and cash equivalents, trade and other receivables, trade and other financial liabilities, fixed and floating rate borrowings, the fair values are the same as carrying value.

28. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Less than one year	500	66	566	579
Between one and five years	698	84	782	515
More than five years	21	-	21	-
	<u>1,219</u>	<u>150</u>	<u>1,369</u>	<u>1,094</u>

29. Capital commitments

Contracted capital commitments at 30th April, 2019 for which no provision has been made in these financial statements were £392,000 (2018: £1,764,000).

30. Guarantees and contingencies

The table below sets out the number and value of unexpired bank guarantee bonds as at 30th April, 2019 and 30th April, 2018. These guarantee bonds are required as part of the terms and conditions within our mechanical engineering contracts.

	2019 £'000	2018 £'000
265 guarantee and bonds contracts (2018: 308)	<u>10,698</u>	<u>11,727</u>

31. Subsequent events

After the balance sheet date an ordinary dividend of 96.21p per qualifying ordinary share was proposed by the Directors (2018: Ordinary dividend of 83.473p).

The current year proposed ordinary dividend of £6,927,000 has not been provided for within these financial statements (2018: Proposed ordinary dividend of £6,010,000 was not provided for within the comparative figures)

32. Non-principal subsidiaries and associates

	Registered address*	Country of Incorporation	Class of shares held	% held
<i>Non-principal Subsidiaries:</i>				
Asian Industrial Investment Casting				
Powders Private Limited	4	India	Ordinary	75
Easat Radar Systems India Private Limited	4	India	Ordinary	100
Goodwin Engineering Training Company Limited	1	England and Wales	Ordinary	100
Jewelry Wax Limited	14	Thailand	Ordinary	74.5
SRS Guangzhou Limited	12	China	Ordinary	75.5
Shenzhen King-Top Modern Hi-Tech Company Limited	16	China	Ordinary	75.5
<i>Holding Companies:</i>				
Goodwin Refractory Services Holdings Limited...	1	England and Wales	Ordinary	100
Ying Tai (UK) Limited	1	England and Wales	Ordinary	75.5
<i>Non-principal Associates:</i>				
Tet Goodwin Property Company Limited	11	Thailand	Ordinary	49
<i>Dormant companies:</i>				
Gold Star Powders Limited	1	England and Wales	Ordinary	100
Net Central Limited	1	England and Wales	Ordinary	100
Perfect Audio Visual Limited**	1	England and Wales	Ordinary	100
Sandersfire International Limited	1	England and Wales	Ordinary	100
Specialist Refractory Services Limited	1	England and Wales	Ordinary	100

*The registered address for each company can be found in note 34.

**This company was dissolved during the year ended 30th April, 2019.

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

33. Related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not reported in this note. Year end balances and transactions during the year with the Group's associate companies are shown below.

	2019 £'000	2018 £'000
Jewelry Plaster Limited		
Revenue	582	755
Management fee income	36	35
Interest income	97	-
Dividends	1,254	-
Receivables	-	263
TET Goodwin Property Company Limited		
Rental cost	310	298
Interest income	20	22
Receivables	745	948

34. Registered offices of subsidiaries and associates

The registered offices of the companies listed in notes 13 and 32 are listed below.

1. Ivy House Foundry, Hanley, Stoke-on-Trent ST1 3NR
2. Brassington, Nr. Matlock, Derbyshire DE4 4HF
3. 13-1, Jungbong-daero, 396 Beon-Gil, Seo-gu, Incheon, South Korea
4. 112/2 Chinna Amman Koil Street, Kalavakkam, Thirupurur 603 110, Tamil Nadu, India
5. Suite C, F1, Building #14, Xiya Road No.11, Waigaoqiao Free Trade Zone, 200131, Shanghai, China
6. Hocksteiner Weg 56, D - 41189 Mönchengladbach, Germany
7. Suite 1105, Building 1, Wanguocheng Moma, No.16 Changfeng West Street, Wanbailin District, Taiyuan, Shanxi Province, 30021, China
8. Rua das Margaridas s/n, Terra Preta - Mairipora – SP, CEP 07600-000, São Paulo, Brazil
9. Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000, Australia
10. Koivupuistontie 34, Vantaa, 01510 Finland
11. 99/9 Moo5 KhlongYong, Bhudhamontol, Nakhonpathom 73170, Thailand
12. No.73, Jiao Xin Road, Lanhe Town, Nansha District, Guangzhou City, 511480, China
13. 400 metres North from Nan Zhai Committee, Xifuzhen Street, Chengyang District, Qingdao City, 266106, China
14. 3322/5 1st fl. Bangkok Gem & Jewelry Tower, Surawong Road, Bangkok 10500, Thailand
15. Unit 1 Bridgeway Business Park, Cnr Sam Green Road and Pinnacle Close, Tunney Extension 9, Germiston 1401, South Africa
16. No.11 Niu Shi Pu Road, Liu Yue Committee, Heng Gang District, Shenzhen City, Guangdong Province, China

35. Share-based payment transactions

The Group had one share option scheme, the LTIP, the terms of which are outlined in the Directors' remuneration policy and report on pages 28 and 29. The scheme has now ended.

The non cash-impacting provision for the year, recognised in the statement of profit or loss in respect of share-based payments is £1,220,000 (2018: £1,024,000).

Grant date/ employees entitled	Method of settlement	Maximum number of instruments	Vesting conditions	Contractual life of options
Options granted on 5th October, 2016 to Executive Directors	Equity	576,000	For every 10% growth in TSR 28,800 shares will vest	Expiry date: 30th April, 2019

Awards entitle each holder to earn up to 1% of the share capital of the Company subject to the performance condition.

An award vested and became 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.

35. Share-based payment transactions *(continued)*

										2019	2018
Number of share options											
Outstanding at beginning of year	...	...	...	...	...	...	...	...	...	576,000	576,000
Vested 1st May, 2019	...	...	...	...	...	...	...	...	...	489,600	-
Exerciseable at end of year	...	...	...	...	...	...	...	...	...	-	-

The fair value of employee share options was measured by a Monte Carlo model. Measurement inputs and assumptions were as follows:

Fair value at grant date											£2,661,667
Share price at date of grant	...	...	...	...	...	...	...	...	...	...	£22.20
Exercise price	...	...	...	...	...	...	...	...	...	...	£0.10
Expected volatility	...	...	...	...	...	...	...	...	...	...	20.0%
Option life	...	...	...	...	...	...	...	...	...	...	2.5 years
Expected dividends	...	...	...	...	...	...	...	...	...	...	1.91%
Risk-free interest rate (based on national government bonds)	...	...	...	...	...	...	...	...	...	...	0.08%

The expected volatility is based on the historic volatility, calculated based on the weighted average remaining life of the share options, adjusted for any expected changes to future volatility due to publicly available information.

36. Alternative performance measures

Measure	Method of calculation / reference	2019	2018
Gross profit (£'000)	Consolidated statement of profit or loss, page 39	40,632	35,668
Revenue (£'000)	Consolidated statement of profit or loss, page 39	127,046	124,811
Gross profit as percentage of revenue (%)	Gross profit / revenue	32.0	28.6
Operating profit (£'000)	Consolidated statement of profit or loss, page 39	16,411	13,580
Capital employed (£'000)	Note 27 (d), page 76	126,413	110,826
Return on capital employed (%)	Operating profit / capital employed	13.0	12.3
Net debt (£'000)	Note 27 (d), page 76	21,248	11,258
Deferred consideration (£'000)	Note 27 (d), page 76	204	500
Net debt excluding deferred consideration (£'000)		21,044	10,758
Net assets attributable to equity holders of the parent (£'000)	Consolidated balance sheet, page 43	105,165	99,568
Gearing (%)	Net debt (excluding deferred consideration) / equity, as above	20.0	10.8
Net profit attributable to equity holders of the parent (£'000)	Consolidated statement of profit or loss, page 39	11,505	8,504
Net assets attributable to equity holders of the parent (£'000)	Consolidated balance sheet, page 43	105,165	99,568
Return on investment (%)	Net profit / net assets	10.9	8.5
Revenue (£'000)	Consolidated statement of profit or loss, page 39	127,046	124,811
Average number of employees	Note 7, page 60	1,082	1,042
Sales per employee (£'000)	Group revenue / average employees	117	120
Annual post tax profit (£'000)	Consolidated statement of profit or loss, page 39	12,447	9,435
Depreciation (£'000)	Note 12, page 62	5,819	5,243
Amortisation (£'000)	Note 15, page 67	1,312	1,138
Annual post tax profit + depreciation + amortisation (£'000)		19,578	15,816
Annual post tax profit (£'000) – without the adoption of IFRS 15	Note 3, page 53 / Consolidated statement of profit or loss, page 39	11,098	9,435
Depreciation (£'000)	Note 12, page 62	5,819	5,243
Amortisation (£'000)	Note 15, page 67	1,312	1,138
Annual post tax profit + depreciation + amortisation – like for like (£'000)		18,229	15,816

GOODWIN PLC

COMPANY BALANCE SHEET

at 30th April, 2019

	Notes	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	C4	24,583	28,697
Investment properties	C4	24,741	17,844
Investments	C5	25,374	20,950
Intangible assets	C6	12,877	2,859
		87,575	70,350
CURRENT ASSETS			
Other receivables	C7	31,092	31,262
Deferred tax asset	C10	216	-
Cash at bank and in hand		87	56
		31,395	31,318
TOTAL ASSETS		118,970	101,668
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	C8	10,750	12,442
Other payables	C9	6,696	12,699
Deferred consideration		-	500
Corporation tax		332	72
		17,778	25,713
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	C8	18,856	5,687
Deferred income		1,087	1,145
Deferred tax liabilities	C10	-	2,408
		19,943	9,240
TOTAL LIABILITIES		37,721	34,953
NET ASSETS		81,249	66,715
EQUITY			
Called up share capital	C11	720	720
Share-based payments reserve		4,991	1,625
Profit and loss account		75,538	64,370
TOTAL EQUITY		81,249	66,715
Profit / (loss) after tax for the year		17,178	(3,204)

These financial statements were approved by the Board of Directors on 22nd August, 2019, and signed on its behalf by:

T. J. W. Goodwin
Director

M. S. Goodwin
Director

S. R. Goodwin
Director

Company Registration Number: 305907

GOODWIN PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30th April, 2019

	Notes	Share capital £'000	Share-based payments reserve £'000	Retained earnings £'000	Total equity £'000
YEAR ENDED 30TH APRIL, 2019					
Balance at 1st May, 2018	...	720	1,625	64,370	66,715
Total comprehensive income:					
Profit	C2	-	-	17,178	17,178
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					
		-	-	17,178	17,178
Equity-settled share-based payment transactions		-	1,220	-	1,220
Tax on equity-settled share-based payment transactions		-	2,146	-	2,146
Dividends paid		-	-	(6,010)	(6,010)
BALANCE AT 30TH APRIL, 2019		720	4,991	75,538	81,249
YEAR ENDED 30TH APRIL, 2018					
Balance at 1st May, 2017	...	720	601	70,623	71,944
Total comprehensive income:					
Loss	C2	-	-	(3,204)	(3,204)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					
		-	-	(3,204)	(3,204)
Equity-settled share-based payment transactions		-	1,024	-	1,024
Dividends paid		-	-	(3,049)	(3,049)
BALANCE AT 30TH APRIL, 2018		720	1,625	64,370	66,715

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 England and Wales.

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.

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.

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.

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

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly-owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;

As the consolidated financial statements of Goodwin PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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 2 of the Group financial statements.

Measurement convention

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards.

Investments 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 statement of profit or loss 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 into which the Company has entered.

C1 Accounting policies (continued)

Financial instruments (continued)

Bank borrowings

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

Trade and other payables

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

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. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads.

Amortisation rates are as follows:

Manufacturing rights	11-15 years
Brand names	now fully amortised
Software and licences	4 years
Intellectual property rights	15 years
Non-compete agreements	15 years
Capitalised development costs	Minimum expected order unit intake or minimum product life

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 statement of profit or loss 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
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 statement of profit or loss 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 statement of profit or loss 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 to which they relate.

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 statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit or loss as an integral part of the total lease expense.

C1 Accounting policies (continued)

Leases (continued)

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 statement of profit or loss as it accrues.

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 statement of profit or loss 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 statement of profit or loss 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.

Share-based payment transactions

Share-based payment arrangements, in which the Company receives goods or services as consideration for its own equity instruments, are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted.

C2 Expenses and auditor's remuneration

Included in the profit / (loss) before taxation are the following:

								2019	2018
								£'000	£'000
<i>Depreciation</i>									
Owned assets	...	...	...	...	...	...	...	2,092	1,889
Assets held under finance leases	...	...	...	...	...	...	...	202	202
Impairment of amounts due from Group undertakings	...	...	...	...	...	...	...	-	8,040
Reversal of impairment of amounts due from Group undertakings	...	...	...	...	...	...	...	(4,040)	-
Impairment of investments in subsidiary companies (see note C5)	...	...	...	...	...	...	...	1,385	1,134
Fees receivable by the auditors and the auditor's associates in respect of:									
Audit of these financial statements	...	...	...	...	...	...	...	39	18

Amounts paid to the Company's auditor in respect of services 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 6 of the Group financial statements).

The impairment of amounts due from Group undertakings are £Nil (2018: £4,000,000) in respect of Goodwin Steel Castings Limited, and £Nil (2018: £4,040,000) in respect of Goodwin Indústria e Comércio de Bombas Submersas Ltda. During the year, the loan to Goodwin Indústria e Comércio de Bombas Submersas Ltda was converted to equity. The previous year impairment was reversed with £1.33 million of the additional investment being impaired (see note C5).

C3 Staff numbers and costs

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

										Number of employees	
										2019	2018
Administration staff	...	...	...	...	...	...	...	...	...	50	49
										2019	2018
										£'000	£'000
The aggregate payroll costs of these persons were as follows:											
Wages and salaries	...	...	...	...	...	...	...	...	...	3,723	3,470
Social security costs	...	...	...	...	...	...	...	...	...	424	373
Other pension costs	...	...	...	...	...	...	...	...	...	107	99
										4,254	3,942

Details of the Directors' remuneration can be found within the Directors' Remuneration Report on page 27. The emoluments of the highest paid Director were £397,000 (2018: £385,000). The emoluments included Company pension contributions of £11,000 (2018: £11,000) which were made to a defined contribution scheme on his behalf. The number of Directors, who were members of a defined contribution pension scheme, was 8 (2018: 8).

A charge of £1,220,000 for the LTIP (2018: £1,024,000) has been recognised in the year, but not included in the above table. Further information is contained in note 35 of the Group financial statements.

C4 Tangible fixed assets

	Investment properties		Property, Plant and Equipment				Total
	£'000	Land and buildings	Plant and equipment	Fixtures and fittings	Assets in course of construction	£'000	
Cost							
Balance at 1st May, 2018	21,892	1,166	27,235	1,593	11,193		41,187
Additions ...	1,030	-	677	44	1,851		2,572
Reclassifications ...	6,637	-	1,640	-	(8,277)		(6,637)
Disposals ...	-	-	(42)	-	-		(42)
Intercompany transfers	-	-	3,343	-	-		3,343
Balance at 30th April, 2019	29,559	1,166	32,853	1,637	4,767		40,423
Depreciation							
Balance at 1st May, 2018	4,048	624	10,861	1,005	-		12,490
Charged in year ...	817	20	1,356	101	-		1,477
Reclassifications ...	(47)	-	47	-	-		47
Disposals ...	-	-	(17)	-	-		(17)
Intercompany transfers	-	-	1,843	-	-		1,843
Balance at 30th April, 2019	4,818	644	14,090	1,106	-		15,840
Net book value							
At 30th April, 2018 ...	17,844	542	16,374	588	11,193		28,697
At 30th April, 2019	24,741	522	18,763	531	4,767		24,583

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, 2019 was estimated to be £45 million (2018: £38 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. The net book value of plant and machinery under finance leases at the year end was £3,404,623 (2018: £3,606,878). The leased equipment secures lease obligations (see note C8).

C5 Fixed asset investments

			Shares in associated undertakings £'000	Shares in Group undertakings £'000	Total £'000
Cost					
Balance at 1st May, 2018	...	...	307	25,243	25,550
Additions	...	...	-	5,809	5,809
Reclassification	...	...	(70)	70	-
Disposals	...	...	-	(25)	(25)
Balance at 30th April, 2019			237	31,097	31,334
Impairment					
Balance at 1st May, 2018	...	...	-	4,600	4,600
Impairment during the year	...	...	-	1,385	1,385
Disposals	...	...	-	(25)	(25)
Balance at 30th April, 2019			-	5,960	5,960
Net book value					
At 30th April, 2018	...	...	307	20,643	20,950
At 30th April, 2019			237	25,137	25,374

A list of principal subsidiaries and associates is given in note 13 and a list of non-principal subsidiaries and associates is given in note 32 of the Group financial statements.

As explained in note C2, part of the increase in the investment in respect of Goodwin Indústria e Comércio de Bombas Submersas Ltda, due to the conversion of the intercompany loan to equity, has been impaired.

During the year, the Company acquired a further 25% shareholding in Asian Industrial Investment Casting Powders Private Limited, thereby increasing its control of the company. An additional shareholding of 24.5% in Ultratec Jewelry Supplies Limited was acquired during the year. Details of these acquisitions are reported in note 13 of the Group Financial Statements.

C6 Intangible fixed assets

	Brand names and Customer list £'000	Manu- facturing rights £'000	Intellectual property rights and Non- competes £'000	Software and Licences £'000	Develop- ment costs £'000	Total £'000
Cost						
Balance at 1st May, 2018	880	827	1,118	120	2,130	5,075
Additions	-	200	4,800	22	-	5,022
Intercompany transfers	-	-	-	-	5,628	5,628
Balance at 30th April, 2019	880	1,027	5,918	142	7,758	15,725
Amortisation						
Balance at 1st May, 2018	880	588	673	75	-	2,216
Amortisation for the year	-	68	35	34	-	137
Intercompany transfers	-	-	-	-	495	495
Balance at 30th April, 2019	880	656	708	109	495	2,848
Net book value						
At 30th April, 2018	-	239	445	45	2,130	2,859
At 30th April, 2019	-	371	5,210	33	7,263	12,877

During the year the Company acquired the entirety of the intellectual property rights from Goodwin International Limited and Noreva GmbH. The intercompany transfers are the intellectual property rights transferred from Easat Radar Systems Limited and NRPL Aero Oy.

C7 Debtors

	2019 £'000	2018 £'000
<i>Interest-bearing</i>		
Amounts owed by Group undertakings – repayable on demand	6,918	7,059
Amounts owed by Group undertakings – repayable within five years	3,869	5,746
<i>Non interest-bearing</i>		
Amounts owed by Group undertakings – repayable on demand	18,735	16,869
Amounts owed by Group undertakings – repayable within five years	783	759
Other debtors	226	410
Prepayments and accrued income	561	419
	31,092	31,262

C8 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 27 of the Group financial statements.

	2019 £'000	2018 £'000
Non-current liabilities		
Finance lease liabilities	856	1,687
Bank loans and committed facilities	18,000	4,000
	18,856	5,687
Current liabilities		
Finance lease liabilities	835	812
Bank loans and committed facilities	-	7,000
Bank overdrafts	9,915	4,630
	10,750	12,442

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2019			2018		
	Minimum lease payments £'000	Interest £'000	Principal £'000	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	872	37	835	872	60	812
Between one and five years	869	13	856	1,737	50	1,687
	1,741	50	1,691	2,609	110	2,499

C9 Other payables

	2019 £'000	2018 £'000
Trade payables... ..	580	1,024
Amounts owed to Group undertakings... ..	4,965	11,095
Other taxation and social security	273	239
Accruals and deferred income	878	341
	6,696	12,699

C10 Provisions for liabilities

	2019 £'000
Deferred taxation	
Balance at 1st May, 2018	2,408
Recognised in the statement of profit or loss	(478)
Recognised in equity	(2,146)
Balance at 30th April, 2019	(216)

C10 Provisions for liabilities *(continued)*

The elements of deferred taxation are as follows:

	2019	2018
	£'000	£'000
Difference between accumulated depreciation and amortisation and capital allowances	2,418	2,410
Share-based payment reserve	(2,630)	-
Other temporary differences	(4)	(2)
	(216)	2,408

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

The Finance Act 2016, which included legislation, reducing the main rate of corporation tax from 20% to 19% from 1st April, 2017 and to 17% from 1st April, 2020, was fully enacted on 15th September, 2016. The deferred tax liability at 30th April 2018 and at 30th April, 2019 has been calculated based on these rates.

C11 Called up share capital

	2019	2018
	£'000	£'000
Authorised, allotted, called up and fully paid:		
7,200,000 ordinary shares of 10p each	720	720

C12 Contingent liabilities

The Company is jointly and severally liable for value added tax due by other members of the Group amounting to £Nil (2018: £Nil).

C13 Related Party Transactions

The Company has applied the exemptions available under FRS 101 in respect of the disclosure of transactions with wholly-owned subsidiary companies. The Company has transacted with Easat Radar Systems Limited, Internet Central Limited, Jewelry Plaster Limited, NRPL Aero Oy, Siam Casting Powers Limited and Ying Tai (UK) Limited which are not wholly-owned subsidiaries.

Transactions and balances are summarised below:

	2019	2018
	£'000	£'000
Interest receivable	418	286
Interest payable	13	8
Dividend income	515	-
Management fee income	187	170
Transfer of development costs	4,700	-
<i>Interest-bearing balances</i>		
Amounts owed by Group undertakings – repayable on demand	6,918	7,059
Amounts owed by Group undertakings – repayable within five years	3,569	5,445
<i>Interest-bearing balances</i>		
Amounts owed by Group undertakings – repayable on demand	1,523	874

Compensation of key management personnel

Key management personnel are defined in the Directors' Remuneration Report on page 25, and their remuneration is disclosed on pages 27 and 29 of the Group financial statements. All the Executive Directors are party to an Equity Long Term Incentive Plan (LTIP). Further details of the LTIP can be found in note 35 of the Group financial statements.

C14 Commitments

Contracted capital commitments at 30th April, 2019 for which no provision has been made in these financial statements were £331,000 (2018: £1,484,000).

C15 Subsequent events

Apart from the dividends declared of £6,927,000 which have not been provided for within these financial statements, no significant events have occurred after the balance sheet date.

C16 Dividends

	2019	2018
	£'000	£'000
Paid ordinary dividends during the year in respect of prior years		
83.473p (2018: 42.348p) per qualifying ordinary share	6,010	3,049

After the balance sheet date an ordinary dividend of 96.21p per qualifying ordinary share was proposed by the Directors (2018: Ordinary dividend of 83.473p).

The proposed current year ordinary dividend of £6,927,000 has not been provided for within these financial statements (2018: Proposed ordinary dividend of £6,010,000 was not provided for).

C17 Accounting estimates and judgements

The material accounting estimates and judgements for the Company follow that of the Group which have been considered in note 2 of the Group financial statements.

C18 Share-based payment transactions

Details of the equity-settled share-based payment transactions are disclosed in note 35 of the Group Financial Statements.

■ FIVE YEAR FINANCIAL SUMMARY ■

								2015	2016	2017	2018	2019
								£'000	£'000	£'000	£'000	£'000
<i>Continuing operations</i>												
Revenue...	...	...	...	...	...	...	...	127,049	123,539	131,587	124,811	127,046
Profit before taxation	...	...	...	...	...	...	...	20,053	12,314	9,244	13,300	16,410
Tax on profit	...	...	...	...	...	...	...	(4,601)	(3,376)	(2,487)	(3,865)	(3,963)
Profit after taxation	...	...	...	...	...	...	...	15,452	8,938	6,757	9,435	12,447
Basic earnings per ordinary share								208.68p	122.75p	84.47p	118.11p	159.79p
Diluted earnings per ordinary share								208.68p	122.75p	84.47p	118.11p	149.65p
Total equity	...	...	...	...	...	...	...	86,522	90,117	93,661	104,827	109,291

