

Goodwin Refractory Services Holdings Limited

Annual report and financial statements

Registered number 04666689

30 April 2016

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Contents

Strategic report	2
Directors' report	3
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	4
Independent auditor's report to the members of Goodwin Refractory Services Holding limited	5
Statement of Profit and Loss and Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes	9

Strategic report

PRINCIPAL ACTIVITY

The principal activity of the Company is a holding company of refractory engineering subsidiaries.

REVIEW OF THE YEAR

The profit on ordinary activities before taxation arises from dividends received from the Company's subsidiaries.

The results for the year are summarised as follows:

	2016	2015
	£	£
Profit on ordinary activities before taxation	1,284,789	700,010
Tax on profit on ordinary activities	(19,482)	(20,000)
	<hr/>	<hr/>
Profit for the financial year being total comprehensive income for the year	1,265,307	680,010
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PRINCIPAL RISKS AND UNCERTAINTIES

The Company's subsidiaries and associate 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.

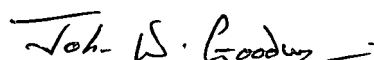
Market risk: The Company's subsidiaries and associate provide a range of products, and there is a risk that the demand for these products and services will vary from time to time because of competitor action or economic cycles or international trade friction or even wars.

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

Financial risk: The principal financial risks faced by the Company's subsidiaries and associate are changes in market prices (interest rates, foreign exchange rates and commodity prices). The Company's subsidiaries and associate participate in the centralised treasury arrangements of its parent company, Goodwin PLC, and share banking arrangements with their ultimate parent and fellow subsidiaries. Having made enquiries of the Directors of its parent company, the Directors are satisfied that the Company's subsidiaries and associate should be able to continue with the existing Goodwin PLC funded treasury arrangements. The Company's subsidiaries and associate have in place risk management policies that seek to limit the adverse effects on their financial performance by using various instruments and techniques, including credit insurance and forward foreign exchange contracts.

Regulatory compliance: The operation of the Company's subsidiaries and associate are subject to a wide range of laws and regulations and the Directors and Senior Managers make best endeavours to comply with the relevant laws and regulations.

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



J.W. Goodwin

Chairman

Ivy House
Foundry
Hanley
Stoke-on-Trent
ST1 3NR

28 November 2016

Directors' report

Proposed dividend

During the year, the Company paid interim dividends of £1,265,500 (2015: £684,000). The Directors do not recommend the payment of a final dividend (2015: £Nil).

Directors

The Directors who held office during the year were as follows:

J.W. Goodwin (Chairman)
R.S. Goodwin (Managing Director)
S.R. Goodwin

Political contributions

The Company made no political donations nor incurred any political expenditure during the current or prior year.

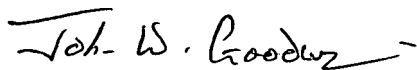
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' 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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



J.W. Goodwin
Chairman

Ivy House Foundry
Hanley
Stoke-on-Trent
ST1 3NR

28 November 2016

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Independent auditor's report to the members of Goodwin Refractory Services Holding limited

We have audited the financial statements of Goodwin Refractory Services Holding Limited for the year ended 30 April 2016 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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.



Simon Purkess (Senior Statutory Auditor)

28th November 2016

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snow Hill

Snow Hill Queensway

Birmingham B4 6GH

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 30 April 2016

	<i>Note</i>	2016 £	2015 £
Administrative expenses		(35)	-
Income from shares in group undertakings	9	1,284,824	700,010
Profit on ordinary activities before taxation	2	1,284,789	700,010
Tax on profit on ordinary activities	5	(19,482)	(20,000)
Profit for the financial year being total comprehensive income for the year		1,265,307	680,010

The Company has no recognised gains or losses in the current year or preceding period other than the profit for the year.

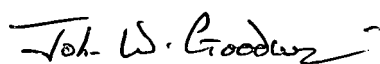
The notes on pages 9 to 15 form part of these financial statements.

Balance Sheet *at 30 April 2016*

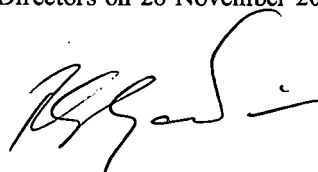
	<i>Note</i>	2016	2015
		£	£
Fixed assets			
Investments	6	1,540,161	1,540,161
		<hr/>	<hr/>
		1,540,161	1,540,161
Current assets			
Debtors	7	516,718	516,721
Cash at bank and in hand		394	584
		<hr/>	<hr/>
Net current assets		517,112	517,305
		<hr/>	<hr/>
Net assets		2,057,273	2,057,466
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	8	5,950	5,950
Profit and loss account		2,051,323	2,051,516
		<hr/>	<hr/>
Shareholders' funds		2,057,273	2,057,466
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 15 form part of these financial statements.

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



J.W. Goodwin
Chairman



R.S. Goodwin
Director

Company registered number: 04666689

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 May 2014	5,950	2,055,506	2,061,456
Profit for the period	-	680,010	680,010
Dividends on ordinary shares	-	(684,000)	(684,000)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2015	5,950	2,051,516	2,057,466
	<hr/>	<hr/>	<hr/>
Balance at 1 May 2015	5,950	2,051,516	2,057,466
Profit for the period	-	1,265,307	1,265,307
Dividends on ordinary shares	-	(1,265,500)	(1,265,500)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2016	5,950	2,051,323	2,057,273
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 15 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Goodwin Refractory Services Holding Limited (the “Company”) is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. 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”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 12.

The Company’s ultimate parent undertaking, Goodwin PLC, includes the Company in its consolidated 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’s website: www.goodwin.co.uk and from the Company’s Registered Office: Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, and fixed 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;
- Disclosures in respect of the compensation of Key Management Personnel; and

As the consolidated financial statements of Goodwin PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 May 2014 for the purposes of the transition to FRS 101.

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 11.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

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

1.2 Going concern

After making enquiries into the future trading forecasts and cash requirements, the Directors have formed a judgement that, at the time of approving the financial statements, the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so, wherever appropriate, shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's parent, Goodwin PLC, to their enquiries, have no reason to believe that a material uncertainty exists, which may cast significant doubt about the ability of the Goodwin PLC Group to continue as a going concern or its ability to continue with the current banking arrangements.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Directors' Report and financial statements.

1.3 Non-derivative 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.

Recognition and valuation of equity instruments

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

Recognition and valuation of financial liabilities

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

Trade and other payables

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

1.4 Investments

Investments held in fixed assets are stated at cost less amounts written off for impairment.

Notes (continued)

1.5 Impairment

The carrying amounts of the Company'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.

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

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

Reversals of impairment

In respect of assets other than goodwill, 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.

1.6 Taxation

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

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

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

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

2 Auditor's remuneration

The audit fee for the current and prior year has been borne by the parent company.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, 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 in the consolidated financial statements of the Company's parent, Goodwin PLC.

3 Staff numbers and costs

The Company had no employees in the current or prior year.

4 Directors' remuneration

The directors' remuneration for the current year was £5,000 (2015: £5,000).

Notes (continued)

5 Taxation

Recognised in the profit and loss account

	2016 £	2015 £
<i>Current tax</i>		
Withholding tax on income for the period	19,482	20,000

Reconciliation of effective tax rate

	2016 £	2015 £
<i>Reconciliation of effective tax rate</i>		
Profit for the year	1,265,307	680,010
Total tax expense	19,482	20,000
Profit excluding taxation	1,284,789	700,010
Tax using the UK corporation tax rate of 20% (2015: 20.92%)	256,958	146,427
Tax exempt income from shares in UK group undertakings	(218,000)	(104,600)
Difference in rates for withholding tax on income from shares in overseas group undertakings	(19,476)	(21,827)
	19,482	20,000

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

Notes (continued)

6 Fixed asset investments

	Investments in subsidiaries £	Investments in associates £	Total £
Cost at beginning and end of year	140,161	1,400,000	1,540,161
NBV at beginning and end of year	140,161	1,400,000	1,540,161

The Company has the following investments in subsidiaries and associates:

	Country of incorporation	Principal activity	Class and percentage
Goodwin Refractory Services Limited	Great Britain	Manufacture of refractory products	Ordinary shares 100%
Ying Tai (UK) Limited	Great Britain	Holding Company	Ordinary shares 51%
Jewelry Plaster Limited	Thailand	Manufacture of refractory products	Ordinary shares 49%

7 Debtors

	2016 £	2015 £
Amounts owed by group undertakings:		
- parent company	57,000	57,000
- fellow subsidiaries	459,708	459,711
Other debtors	10	10
	516,718	516,721

Notes (continued)

8 Capital and reserves

Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
5,950 ordinary shares of £1 each	5,950	5,950
	<hr/>	<hr/>
Shares classified in shareholders' funds	5,950	5,950
	<hr/>	<hr/>

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.

9 Related parties

The Company has applied the exemptions available under FRS101 in respect of disclosures of transactions with its parent company and fellow wholly owned subsidiaries.

Income from shares in group undertakings

	2016 £	2015 £
Dividends from associate - Jewelry Plaster Limited	194,824	200,010
	<hr/>	<hr/>

10 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Goodwin PLC which is the ultimate parent company incorporated in Great Britain.

11 Accounting estimates and judgements

a) Recoverability of assets / impairment calculations

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

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

b) Revenue recognition

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

Notes *(continued)*

12 Explanation of transition to FRS 101

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

A detailed review of FRS 101 indicated that no recognition or measurement adjustments were required in preparing the Company's FRS 101 balance sheet.