

Goodwin Refractory Services Holdings Limited

Annual Report and Financial Statements

Registered number 04666689

30 April 2018



Contents

Strategic report	1
Directors' report	2
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	3
Independent Auditor's Report to the Members of Goodwin Refractory Services Holdings Limited	4
Profit and Loss Account 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 before taxation arises from dividends received from the Company's subsidiaries. The results of the year are summarised as follows:

	2018 £	2017 £
Profit before taxation	2,441,372	999,988
Tax on profit	(44,132)	-
Profit for the financial year being total comprehensive income for the year	2,397,240	999,988

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 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 they are 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 its 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 the financial performance of the Company by using various instruments and techniques, including credit insurance and forward foreign exchange contracts.

Regulatory compliance: The operations of the Company's subsidiaries and associates are subject to a wide range of laws and regulations. The Directors and Senior Managers within the companies 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

29th October 2018

Directors' report

Proposed dividend

During the year, the Company paid an interim dividend of £2,911,500 (2017: £1,000,000). The Directors do not recommend the payment of a final dividend (2017: £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.

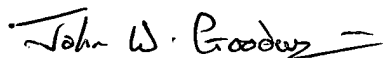
Disclosure of information to auditor

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

29th October 2018

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;
- assess the 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 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 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 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 Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Goodwin Refractory Services Holdings Limited

Opinion

We have audited the financial statements of Goodwin Refractory Services Holdings Limited for the year ended 30 April 2018, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the 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 Company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report 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 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.

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, 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.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Goodwin Refractory Services Holdings Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for 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 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 Company or to cease operations, or have no realistic alternative but to do so.

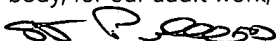
Auditor's responsibilities

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 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 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.

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.



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

8th November 2018

One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

**Profit and Loss Account and Other Comprehensive Income
for the year ended 30 April 2018**

	Note	2018 £	2017 £
Administrative expenses		(63)	(12)
Income from shares in group undertakings	10	2,441,435	1,000,000
Profit before taxation		2,441,372	999,988
Tax on profit	6	(44,132)	-
Profit for the financial year being total comprehensive income for the year		2,397,240	999,988

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

The notes on pages 9 to 13 form part of these financial statements.

Balance Sheet at 30 April 2018

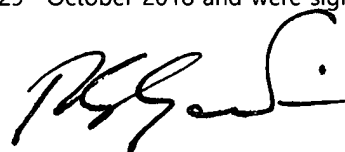
	Note	£	2018 £	£	2017 £
Fixed assets					
Investments	7		1,540,161		1,540,161
Current assets					
Debtors	8	12		516,016	
Cash at bank and in hand		2,828		1,084	
Net current assets			2,840		517,100
Net assets			1,543,001		2,057,261
Capital and reserves					
Called up share capital	9		5,950		5,950
Profit and loss account			1,537,051		2,051,311
Shareholders' funds			1,543,001		2,057,261

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29th October 2018 and were signed on its behalf by:



J.W. Goodwin
Chairman



R.S. Goodwin
Managing Director

Company registered number: 04666689

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 May 2016	5,950	2,051,323	2,057,273
Profit for the year being total comprehensive income for the year	-	999,988	999,988
Dividends on ordinary shares	-	(1,000,000)	(1,000,000)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2017	5,950	2,051,311	2,057,261
	<hr/>	<hr/>	<hr/>
Balance at 1 May 2017	5,950	2,051,311	2,057,261
Profit for the year being total comprehensive income for the year	-	2,397,240	2,397,240
Dividends on ordinary shares	-	(2,911,500)	(2,911,500)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2018	5,950	1,537,051	1,543,001
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 13 form part of these financial statements.

Notes

(forming part of the financial statements)

1. Accounting policies

Goodwin Refractory Services Holdings Limited (the "Company") is a company incorporated and domiciled in England and Wales.

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").

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.

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, 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;
- Disclosures in respect of the compensation of Key Management Personnel.

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 certain disclosures required by IFRS 13 Fair Value Measurement, the disclosures required by IFRS 7 Financial Instrument Disclosures and certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

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

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 twelve months from the date of approval of these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future, and the Directors confirm that there is no intention to cease operations. The Company participates in the Group's centralised treasury arrangements and so, where 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:

Trade and other debtors

Trade and other debtors are recognised initially at fair value and are subsequently measured at their amortised cost using the effective interest method, where material, as reduced by allowances for impairment, when there is objective evidence of impairment.

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.

1.4 Investments

Investments in subsidiary and associate undertakings are stated at cost less amounts written off for impairment.

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. The 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 exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

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 profit and loss account 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.

Notes (continued)

1 Accounting policies (continued)

1.6 Taxation (continued)

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. Accounting estimates and judgements

The Company is a holding company and carries investments in other companies as described in Note 7. The Directors look at the carrying values of its investments at the year end for any indication of impairment based on the cash generating units' fair value.

3. Auditor's remuneration

The audit fee for the current year of £400 and prior year of £400 has been borne by the parent company.

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

4. Staff numbers and costs

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

5. Directors' remuneration

The directors' remuneration for the year was borne by the ultimate parent company and was £5,000 (2017: £5,000).

6. Taxation

Recognised in the profit and loss account

	2018 £	2017 £
<i>Current tax</i>		
Current tax on profit for the year	(12)	-
Withholding tax on income for the period	44,144	-
	<hr/>	<hr/>
Tax on profit	44,132	-
	<hr/>	<hr/>

Notes (continued)

6. Taxation (continued)

Reconciliation of effective tax rate

	2017 £	2017 £
Profit for the year	2,397,240	999,988
Total tax expense	44,132	-
Profit excluding taxation	2,441,372	999,988
Tax using the UK corporation tax rate of 19.00% (2017: 19.92%)	463,861	199,198
Tax exempt income from shares in UK group undertakings	(380,000)	(199,198)
Difference in rates for withholding tax on income from shares in overseas group companies	(39,729)	-
Total tax expense	44,132	-

The Finance Act 2016, which included legislation reducing the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 was enacted fully on 15 September 2016. This will reduce the company's future current tax charge accordingly.

7. 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:

Name	Country of incorporation	Registered address	Principal activity	% of ordinary shares held
Goodwin Refractory Services Limited	England and Wales	Ivy House Foundry, Hanley, Stoke-on-Trent ST1 3NR	Manufacture of refractory products	100%
Ying Tai (UK) Limited	England and Wales	Ivy House Foundry, Hanley, Stoke-on-Trent ST1 3NR	Holding Company	51%
Jewelry Plaster Limited	Thailand	3322/5 1st fl. Bangkok Gem & Jewelry Tower, Surawong Road, Bangkok 10500, Thailand	Manufacture of refractory products	49%

Notes (continued)

8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings - parent company	12	57,000
Amounts owed by group undertakings - fellow subsidiaries	-	459,016
	<u>12</u>	<u>516,016</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
5,950 ordinary shares of £1 each	5,950	5,950
	<u>5,950</u>	<u>5,950</u>
Shares classified in shareholders' funds	5,950	5,950
	<u>5,950</u>	<u>5,950</u>

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.

10. Related parties

	2018 £	2017 £
Dividend income – wholly-owned subsidiary	2,000,000	1,000,000
Dividend income – associate company	441,435	-
	<u>2,441,435</u>	<u>1,000,000</u>

11. Ultimate parent company

The Company is a subsidiary undertaking of Goodwin PLC, which is the ultimate parent company. Goodwin PLC is incorporated in England and Wales and its registered address is Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.