

GOODWIN PLC

Registered in England, Number 305907
Established 1883

Directors:

J. W. Goodwin (*Chairman*)
R. S. Goodwin (*Managing Director*)
H. J. Horton

Secretary and registered office:

Mrs. P. Higgs, B.A.,
Ivy House Foundry, Hanley,
Stoke-on-Trent, ST1 3NR

Registrar and share transfer office:

The Royal Bank of Scotland plc,
Securities Services - Registrars,
P.O. Box No. 82, Bristol, BS99 7NH

Auditors:

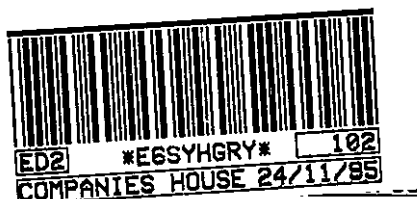
KPMG,
2 Cornwall Street, Birmingham, B3 2DL

NOTICE IS HEREBY GIVEN that the SIXTIETH ANNUAL GENERAL MEETING of the company will be held at 10.30 am, on Monday, 6th November, 1995 at the Saxon Cross Hotel, Sandbach, Cheshire, for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive the report of the directors and the audited financial statements for the year ended 30th April, 1995 and to approve the payment of a dividend on the ordinary shares.
2. To re-elect Mr. H. J. Horton as a director.
3. To re-appoint KPMG as auditors and to authorise the directors to determine their remuneration.

By Order of the Board,
P. HIGGS,
Secretary.

Registered Office:
Ivy House Foundry,
Hanley, Stoke-on-Trent.
10th October, 1995



NOTE:

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the company. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting.

None of the directors have service contracts with the company.

GOODWIN PLC

CHAIRMAN'S STATEMENT

I have pleasure in presenting the Directors' Report and audited Financial Statements for the year ended 30th April, 1995.

Sales turnover increased by fifteen per cent producing a nine per cent increase in the Group's gross profit compared to last year. Higher non-recurring costs associated with expanding the international distribution base have resulted in a reduced profit before tax of £214,000 giving an earnings per share of 1.49p.

Trading performance in the second half was disappointing due to several contracts which have now been resolved within the year at cost. It is believed that the benefit of the learning curve associated with these will show through in the coming year's results. Margins remain under pressure but healthy overseas order books exist for refractories for the jewellery and dental industries made by Hoben Davis Ltd., check valves for the oil industry made by Goodwin International Ltd., and surveillance radar antennas made by Easat Antennas Ltd. Recent casting orders for the Tsing Ma bridge in Hong Kong and the Berlin Stock Exchange, together with good progress being made in ingot production activity for Wiggin Alloy Products Ltd., will provide a continued improvement in the foundry's performance.

Improving efficiency of production and shortening of lead times remain high priorities. Exports remain our focus, particularly to the Far East and U.S.A. The Group started the new financial year with a strong order book in all companies. Domestic and export growth is being seen in all our core products.

Some of the new plant in which we have invested, although installed during the year, will actually be commissioned during the course of this year, whereupon cash flow will improve. The Directors propose that the dividend remains unaltered.

John W. Goodwin

J. W. GOODWIN,
Chairman.

22nd September, 1995

GOODWIN PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and audited financial statements for the year ended 30th April, 1995.

Business review

The principal activity of the group is mechanical and refractory engineering. The results of the year may be summarised as follows:

		1995 £'000	1994 £'000
Turnover	...	17,045	14,745
Profit on ordinary activities before taxation	...	214	383
Taxation charge	...	(107)	(108)
Profit on ordinary activities after taxation	...	107	275

Comments on the results for the year are given in the chairman's statement.

Proposed dividend

The directors recommend that a dividend of 0.655p per share (1994: 0.655p per share) be paid to shareholders on the register at the close of business on 10th October, 1995. It is proposed that the retained profit of £60,000 is transferred to reserves.

Significant changes in fixed assets

The movements in fixed assets during the year are set out in notes 11 and 13 to the financial statements.

The directors consider that the market value of the group's freehold land and buildings is in excess of the values disclosed in the group balance sheet.

Directors and directors' interests

The directors of the company who have served during the year are set out below:

J. W. Goodwin
R. S. Goodwin
H. J. Horton

The director retiring by rotation is Mr. H. J. Horton who, being eligible, offers himself for re-election.

The interests of each director in the share capital of the company are as follows:

		10p ordinary shares 30th April 1995	1st May 1994
<i>Beneficial</i>			
J. W. Goodwin	...	958,006	1,075,756
R. S. Goodwin	...	958,006	1,075,756
H. J. Horton	...	133,500	133,500
J. W. Goodwin and R. S. Goodwin	...	1,478,569	1,243,069
<i>Non-beneficial</i>			
J. W. Goodwin, R. S. Goodwin and others	...	450,000	450,000

The shares in which J. W. Goodwin and R. S. Goodwin are jointly beneficially interested are registered in the name of J. M. Securities Limited.

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

During the period from 30th April, 1995 to 22nd September, 1995 there were the following changes in the directors' interests:

J. W. Goodwin increased his holding to 1,110,506 shares. R. S. Goodwin increased his holding to 1,110,506 shares.

The company does not have any share option schemes for employees.

No director had any beneficial interest, either during or at the end of the financial year, in any contract of significance in relation to the group's business.

Shareholdings

The company has been notified that, as at 22nd September, 1995, the following had an interest in 3% or more of the issued share capital of the company: J. W. Goodwin 1,110,506 shares (15.42%), R. S. Goodwin 1,110,506 shares (15.42%), J. W. Goodwin and R. S. Goodwin 1,478,569 shares (20.54%), J. W. Goodwin, R. S. Goodwin and others 450,000 shares (6.25%), J. H. Ridley 468,000 shares (6.50%) and H. M. Baggle 266,216 shares (3.70%).

Donations

Donations by the group for charitable purposes amounted to £1,050 (1994: £950).

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, on an annual basis, 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 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.

Income and Corporation Taxes Act 1988

The company is a 'close company' under the provisions of this Act. During the period from 30th April, 1995 to 22nd September, 1995 there has been no change in this status.

Liability insurance

During the year the company maintained liability insurance for its directors and officers.

Corporate governance

The directors have considered the recommendations of the Code of Best Practice published by the Committee on the Financial Aspects of Corporate Governance. The Code covers four broad areas, namely the composition and procedures of the board, the appointment and role of non-executive directors, the service contracts and pay of the executive directors and the directors' responsibilities with respect to financial reporting and controls.

The board feels that it should be recognised that what may be appropriate for the larger company may not necessarily be so appropriate for the smaller company, a point raised in the Code of Best Practice. In view of the group's present size and proven track record, it is not seen as appropriate to increase the number of directors on the board. Accordingly, the group is unable to comply with aspects of the Code's requirements in terms of non-executive directors and the requirement for an Audit Committee and a Remuneration Committee.

The remuneration of the directors is considered by the board as a whole. No director has a service agreement or determines his own salary.

The board meets at least once a month and retains full responsibility for the direction and control of the group. There is no formal schedule of matters reserved for the board. However, acquisitions and disposals of assets, investments and material capital related projects are as a matter of course specifically reserved for board decision.

After making enquiries, the directors have a reasonable expectation that the company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The board is not reporting on the issues of internal control because compliance is not yet required.

The board continues to be conscious of its non-compliance with paragraphs 1.3, 1.4, 2, 3.3 & 4.3 of the Code and will review the situation in light of any future group developments.

Auditors

On 6th February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with Section 384 of the Companies Act 1985, a resolution concerning the re-appointment of KPMG as auditors of the company will be proposed at the forthcoming annual general meeting.

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

22nd September, 1995

GOODWIN PLC

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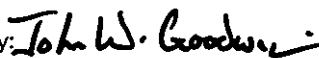
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Approved by the board of directors and signed on its behalf by:
J. W. GOODWIN,
Chairman.



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

22nd September, 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis until it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

to the Members of

GOODWIN PLC

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

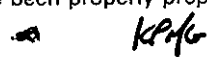
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30th April, 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Birmingham
22nd September, 1995


KPMG
Chartered Accountants
Registered Auditors

GOODWIN PLC

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 30th APRIL, 1995

	Note	1995 £'000	1994 £'000
TURNOVER - CONTINUING OPERATIONS	2	17,045	14,745
Cost of sales		(13,737)	(11,721)
GROSS PROFIT		3,308	3,024
Distribution costs		(684)	(525)
Administrative expenses		(2,220)	(2,094)
OPERATING PROFIT - CONTINUING OPERATIONS		404	405
Share of losses of associated undertaking		(23)	-
Profit on disposal of land and mineral reserves		-	102
Net interest payable	3	(167)	(124)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	214	383
Tax on profit on ordinary activities	7	(107)	(108)
PROFIT FOR THE FINANCIAL YEAR	8	107	275
Proposed dividend	9	(47)	(47)
RETAINED PROFIT FOR THE FINANCIAL YEAR		60	228
Earnings per ordinary share	10	1.49p	3.82p

A statement of movement on reserves is given in note 19.

GOODWIN PLC

BALANCE SHEETS At 30th APRIL, 1995

								Group		Company	
								1995	1994	1995	1994
								£'000	£'000	£'000	£'000
FIXED ASSETS											
Tangible assets	...	...	...	...	...	...	11 & 12	3,157	2,653	682	742
Investments	...	...	...	...	...	...	13	35	-	1,553	1,540
								<u>3,192</u>	<u>2,653</u>	<u>2,235</u>	<u>2,282</u>
CURRENT ASSETS											
Stocks	...	...	...	...	...	...	14	3,633	3,011	-	-
Debtors	...	...	...	...	...	...	15	4,473	4,108	2,197	1,160
Cash at bank and in hand	...	...	...	...	...	...		262	398	111	301
								<u>8,368</u>	<u>7,517</u>	<u>2,308</u>	<u>1,461</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR							16	<u>(7,199)</u>	<u>(5,880)</u>	<u>(2,251)</u>	<u>(1,460)</u>
NET CURRENT ASSETS	...	...	...	...	...	...		<u>1,169</u>	<u>1,637</u>	<u>57</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	...	...						<u>4,361</u>	<u>4,290</u>	<u>2,292</u>	<u>2,283</u>
PROVISIONS FOR LIABILITIES AND CHARGES	...	...					17	<u>(281)</u>	<u>(281)</u>	<u>(64)</u>	<u>(73)</u>
NET ASSETS	...	...	...	...	...	...		<u>4,080</u>	<u>4,009</u>	<u>2,228</u>	<u>2,210</u>
CAPITAL AND RESERVES											
Called up share capital	...	...	...	...	...	...	18	720	720	720	720
Profit and loss account	...	...	...	...	...	...	19	3,340	3,270	1,508	1,490
SHAREHOLDERS' FUNDS - EQUITY	...	...	...	...	...	...		<u>4,060</u>	<u>3,990</u>	<u>2,228</u>	<u>2,210</u>
MINORITY INTERESTS	...	...	...	...	...	...	23	<u>20</u>	<u>19</u>	<u>-</u>	<u>-</u>
								<u>4,080</u>	<u>4,009</u>	<u>2,228</u>	<u>2,210</u>

These financial statements were approved by the board of directors on 22nd September, 1995 and signed on its behalf by:

J. W. GOODWIN }
R. S. GOODWIN } Directors

John W. Goodwin
R. S. Goodwin

GOODWIN PLC

GROUP CASH FLOW STATEMENT

For the year ended 30th APRIL, 1995

	Notes	1995		1994	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		538		556
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividends paid		(47)		(47)	
Interest paid		(172)		(143)	
Interest received		<u>5</u>		<u>19</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(214)		(171)
CORPORATION TAX PAID			(113)		(75)
INVESTING ACTIVITIES					
Acquisition of associated undertaking		(50)		-	
Fixed asset additions		(1,012)		(695)	
Fixed asset disposals		<u>18</u>		<u>153</u>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(1,044)		(542)
NET CASH OUTFLOW BEFORE FINANCING			(833)		(232)
FINANCING					
Issue of shares in subsidiary undertaking to minority interest	13 & 23	-		22	
NET CASH INFLOW FROM FINANCING			-		22
DECREASE IN CASH AND CASH EQUIVALENTS	22		(833)		(210)

GOODWIN PLC

OTHER PRIMARY FINANCIAL STATEMENTS

For the year ended 30th APRIL, 1995

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995	1994
	£'000	£'000
Profit for the financial year	107	275
Currency translation differences on foreign currency net investments ...	10	(6)
Total recognised gains and losses for the financial year	<u>117</u>	<u>269</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the result as disclosed in the group profit and loss account and the results on an unmodified historical cost basis.

RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	1995	1994
	£'000	£'000
Profit for the financial year	107	275
Dividends	(47)	(47)
	<u>60</u>	<u>228</u>
Other recognised gains and losses relating to the year (net)	10	(6)
NET ADDITIONS TO SHAREHOLDERS' FUNDS	70	222
Opening shareholders' funds	<u>3,990</u>	<u>3,768</u>
CLOSING SHAREHOLDERS' FUNDS	4,060	3,990

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements:

(a) Basis of accounting

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

(b) Consolidation principles

- (i) The group financial statements include the results of the parent company and all of its subsidiary undertakings made up to 30th April.
- (ii) The excess cost of shares in subsidiary undertakings over the book value of the net tangible assets acquired is written off against reserves in the group financial statements.
- (iii) The company is not required to present its annual profit and loss account in addition to the consolidated profit and loss account.
- (iv) For associated undertakings, the group includes its share of profits and losses in the consolidated profit and loss account and its share of post acquisition retained profits or accumulated deficits in the consolidated balance sheet.

(c) Depreciation

Depreciation is calculated so as to write down the cost of fixed assets to their anticipated residual value over their estimated useful lives. The method of calculation and the annual rates applied are as follows:

Freehold land	...	...	...	...	Nil
Freehold buildings	- Industrial	...	...	...	2% or 2½% on cost
	- Quarry	...	...	...	10% on cost
Leasehold property	...	...	...	...	Over period of lease
Plant and machinery	...	...	...	...	15% on reducing balance or 25% on cost
Motor vehicles	...	...	...	...	15% or 25% on reducing balance
Tooling	...	...	...	...	Over estimated production life

(d) Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. In determining the cost of raw materials the FIFO method is used. For work in progress and finished goods manufactured by the group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Net realisable value is based on the estimated selling price less further costs of completion and selling expenses.

(e) Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

For consolidation purposes the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

(f) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Unutilised advance corporation tax is deducted from any provision made. Deferred taxation is not provided on earnings retained in overseas subsidiary undertakings.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(g) Leasing

The costs of operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

(h) Pension costs

The group contributes to a number of defined contribution pension schemes for certain senior employees. The assets of these schemes are held in independently administered funds. Group pension costs are charged to the profit and loss account in the year for which contributions are payable.

2. Turnover

Turnover represents the amounts receivable for goods and services supplied to customers. It excludes inter-company transactions and value added tax.

The analysis of turnover by geographical area is as follows:

	1995 £'000	1994 £'000
United Kingdom	8,643	8,854
Rest of Europe	3,522	2,680
Other	4,880	3,211
	<u>17,045</u>	<u>14,745</u>

The geographical source of all turnover is the U.K.

3. Net interest payable

	1995 £'000	1994 £'000
Interest payable on overdrafts	172	137
Less: Interest receivable on bank deposits	(5)	(13)
	<u>167</u>	<u>124</u>

4. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following:

	1995 £'000	1994 £'000
Depreciation and amortisation of tangible fixed assets	481	409
Hire of plant and machinery	40	45
Auditors' remuneration and expenses	42	39

Fees charged by the company's auditors in respect of work carried out in the year for non audit services amounted to £14,000 (1994: £14,000).

5. Emoluments of directors

Directors' emoluments for the year were as follows:

As executives:

	1995 £'000	1994 £'000
Salary and benefits	249	243
Pension contributions	17	17
	<u>266</u>	<u>260</u>

The emoluments of the chairman, who was also the highest paid director, were £95,000 (1994: £92,000), inclusive of pension contributions of £5,000 in both years. No directors received remuneration during the year which was solely performance related.

The emoluments of all of the directors, excluding pension fund contributions, but including benefits in kind, were within the following ranges:

	Number	Number
£70,001 - £75,000	1	1
£85,001 - £90,000	2	2

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Staff numbers and costs

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

										1995 Number	1994 Number
Works personnel	...	...	...	...	...	...	...	...	...	289	269
Administrative staff	...	...	...	...	...	...	...	...	...	26	22
										315	291

The aggregate payroll costs of these persons were as follows:

										£'000	£'000
Wages and salaries	...	...	...	...	...	...	...	...	...	4,666	4,246
Social security costs	...	...	...	...	...	...	...	...	...	475	448
Other pension costs	...	...	...	...	...	...	...	...	...	25	29
										5,166	4,723

7. Tax on profit on ordinary activities

Taxation charge based on the profit for the year of the group:

										1995 £'000	1994 £'000
U.K. corporation tax at 25% to 33% (1994: 25% to 33%)	...	...	...	...	...	...	...	...	...	121	99
Associated undertaking	...	...	...	...	...	...	...	...	...	(8)	-
Deferred taxation (credit)/charge	...	...	...	...	...	...	...	...	...	(3)	9
Overseas taxation	...	...	...	...	...	...	...	...	...	(3)	-
										107	108

The effective taxation rate for the year has been increased by taxable losses in overseas companies and unrealised exchange losses. The associated deferred tax asset has not been recognised.

8. Profit for the financial year

The consolidated profit for the financial year includes a profit of £68,000 (1994: £57,000) which has been dealt with in the financial statements of the parent company.

9. Proposed dividend

The proposed dividend of £47,160 (1994: £47,160) represents 0.655p per share (1994: 0.655p per share).

10. Earnings per ordinary share

The earnings per ordinary share has been calculated on profit after taxation on ordinary activities of £107,000 (1994: £275,000) and by reference to the 7,200,000 ordinary shares in issue throughout both years.

11. Tangible fixed assets of the group

			Land and buildings Freehold £'000	Land and buildings Short leasehold £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000		
Cost									
At beginning of year	...	...	1,144	35	4,016	1,020	6,215		
Additions	...	...	199	-	695	118	1,012		
Disposals	...	...	-	-	(94)	-	(94)		
Exchange differences	...	...	(4)	-	-	-	(4)		
At end of year	...	...	1,339	35	4,617	1,138	7,129		
Depreciable assets	...	...	1,059	35	4,617	1,138	6,849		
Depreciation and amortisation									
At beginning of year	...	...	325	11	2,493	733	3,562		
Charged in year	...	...	32	1	356	92	481		
Disposals	...	...	-	-	(71)	-	(71)		
At end of year	...	...	357	12	2,778	825	3,972		
Net book value									
At 30th April, 1994	...	...	819	24	1,523	287	2,653		
At 30th April, 1995	...	...	982	23	1,839	313	3,157		

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Tangible fixed assets of the company

		Land and buildings Freehold £'000	Land and buildings Short leasehold £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost						
At beginning of year	...	633	35	259	737	1,664
Additions	...	—	—	20	31	51
Disposals	...	—	—	(32)	—	(32)
At end of year	...	633	35	247	768	1,683
Depreciable assets	...	590	35	247	768	1,640
Depreciation and amortisation						
At beginning of year	...	210	11	141	560	922
Charged in year	...	14	1	22	64	101
Disposals	...	—	—	(22)	—	(22)
At end of year	...	224	12	141	624	1,001
Net book value						
At 30th April, 1994	...	423	24	118	177	742
At 30th April, 1995	...	409	23	106	144	682

13. Investments

(a) Group

												Interest in associated undertaking £'000
Cost												
At beginning of year	...	...	...	...	...	...	...	...	...	...	...	—
Additions (see note 13d)	...	...	...	...	...	...	...	...	...	...	...	50
At end of year	...	...	...	...	...	...	...	...	...	...	...	50
Share of post acquisition reserves												
At beginning of year	...	...	...	...	...	...	...	...	...	...	...	—
Share of losses for year	...	...	...	...	...	...	...	...	...	...	...	(15)
At end of year	...	...	...	...	...	...	...	...	...	...	...	(15)
Net book value												
At 30th April, 1994	...	...	...	...	...	...	...	...	...	...	...	—
At 30th April, 1995	...	...	...	...	...	...	...	...	...	...	...	35

(b) Company

													Subsidiary undertakings £'000	Interest in associated undertaking £'000	Total £'000
Cost															
At beginning of year	...	...	...	...	...	...	...	...	...	...	...	...	1,540	—	1,540
Additions in year	...	...	...	...	...	...	...	...	...	...	...	...	—	50	50
Exchange loss on re-translation of investment in overseas subsidiary	...	...	...	...	...	...	...	...	...	...	...	...	(22)	—	(22)
At end of year	...	...	...	...	...	...	...	...	...	...	...	...	1,518	50	1,568
Provisions															
At beginning of year	...	...	...	...	...	...	...	...	...	...	...	...	—	—	—
Provided in year	...	...	...	...	...	...	...	...	...	...	...	...	—	(15)	(15)
At end of year	...	...	...	...	...	...	...	...	...	...	...	...	—	(15)	(15)
Net book value															
At 30th April, 1994	...	...	...	...	...	...	...	...	...	...	...	...	1,540	—	1,540
At 30th April, 1995	...	...	...	...	...	...	...	...	...	...	...	...	1,518	35	1,553

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Investments (continued)

(c) Investments of the company in shares in subsidiary undertakings

The company is the beneficial owner of the issued share capital of the following undertakings:

<i>Subsidiary undertakings</i>					<i>Country of Incorporation or registration and operation</i>	<i>Type of shares</i>	<i>% held</i>
Goodwin International Limited	...	...	...	...	England and Wales	Ordinary	100
						Preference	100
Goodwin Steel Castings Limited	...	...	...	...	England and Wales	Ordinary	100
Hoben Davis Limited	...	...	...	...	England and Wales	Ordinary	100
						Preference	100
Hoben Industrial Minerals Limited	...	...	...	...	England and Wales	Ordinary	100
Goodwin Minerals Limited	...	...	...	...	England and Wales	Ordinary	100
Easat Antennas Limited	...	...	...	...	England and Wales	Ordinary	87½
R. Goodwin International Limited	...	...	...	...	England and Wales	Ordinary	100
Goodwin GmbH	...	...	...	...	Germany	Ordinary	100
Goodwin STK Metal and Minerals Limited	...	...	...	...	Hong Kong	Ordinary	100
Goodwin y Asociados CA	...	...	...	...	Venezuela	Ordinary	100
Goodwin Korea Co. Limited	...	...	...	...	Korea	Ordinary	95

All subsidiary undertakings, with the exception of Goodwin Minerals Limited and R. Goodwin International Limited which are dormant, are involved in mechanical and refractory engineering.

(d) Interest in associated undertaking

The interest in associated undertaking at 30th April 1995 comprises the company's investment of 50% in the ordinary share capital of Wiggin Alloy Products Limited, a joint venture with Inco Alloys Limited. The principal activity of Wiggin Alloy Products Limited is the distribution of metal alloys to the UK market. It is incorporated in Great Britain, is registered in England and Wales and has £100,000 of issued ordinary shares of £1 each.

14. Stocks

							Group	
							1995 £'000	1994 £'000
Raw materials and consumables	...	...	...	...	...	...	1,521	1,125
Work in progress	...	...	...	...	...	...	1,487	1,274
Finished goods and goods for resale	...	...	...	...	...	...	625	612
							<u>3,633</u>	<u>3,011</u>

15. Debtors

Debtors	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Trade debtors	3,780	3,734	—	—
Amounts owed by associated undertakings ...	376	—	—	—
Amounts owed by subsidiary undertakings ...	—	—	2,156	1,122
Other debtors	186	214	10	9
Prepayments and accrued income	131	160	31	29
	<u>4,473</u>	<u>4,108</u>	<u>2,197</u>	<u>1,160</u>

Included in prepayments and accrued income of the group are pension contributions paid in the year of £5,000 (1994: £5,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Creditors: amounts falling due within one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Bank overdrafts	2,876	2,183	894	353
Payments received on account	384	119	-	-
Trade creditors	3,306	2,974	63	44
Amounts owed to subsidiary undertakings	-	-	1,096	895
Other creditors including taxation and social security:				
Corporation tax	110	96	77	31
Other taxes	111	178	13	16
Social Security	89	85	11	11
Other creditors	3	12	-	12
	313	371	101	70
Accruals and deferred income	273	186	50	51
Proposed dividend	47	47	47	47
	<u>7,199</u>	<u>5,880</u>	<u>2,251</u>	<u>1,460</u>

17. Provisions for liabilities and charges

	Deferred taxation	
	Group £'000	Company £'000
Balance at beginning of year	281	73
Advance corporation tax utilised during the year	12	-
Advance corporation tax on proposed dividend	(9)	(9)
Credit for the year in the profit and loss account	(3)	-
Balance at end of year	<u>281</u>	<u>64</u>

The amount provided for deferred taxation, which is the full potential liability calculated on the liability method at 33% (1994: 33%), is set out below:

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Difference between accumulated depreciation and amortisation and capital allowances	290	286	73	85
Advance corporation tax recoverable	(9)	(12)	(9)	(12)
Other timing differences	-	7	-	-
	<u>281</u>	<u>281</u>	<u>64</u>	<u>73</u>

18. Called up share capital

	1995 £'000	1994 £'000
Authorised, allotted, called up and fully paid: 7,200,000 ordinary shares of 10p each	<u>720</u>	<u>720</u>

19. Profit and loss account

	Group £'000	Company £'000
At beginning of year	3,270	1,490
Retained profit for the year	60	21
Exchange loss on re-translation of overseas subsidiaries net assets	(10)	(22)
Exchange gain on re-translation of foreign currency liabilities related to overseas investments	20	19
At end of year	<u>3,340</u>	<u>1,508</u>

Aggregate goodwill in the group amounting to £221,000 (1994: £221,000) arising on the acquisition of subsidiary undertakings has been written off in previous years.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

20. Reconciliation of movements in shareholders' funds

Company	1995	1994
	£'000	£'000
Profit for the financial year	68	57
Dividends	(47)	(47)
	<u>21</u>	<u>10</u>
Other recognised losses and gains relating to the year (net)	(3)	3
	<u>18</u>	<u>13</u>
Net additions to shareholders' funds	2,210	2,197
Opening shareholders' funds	<u>2,228</u>	<u>2,210</u>
Closing shareholders' funds		

21. Reconciliation of operating profit to net cash inflow from operating activities

	1995	1994
	£'000	£'000
Operating profit	404	405
Depreciation charge and amortisation	481	409
Loss on sale of fixed assets	5	8
(Increase)/decrease in debtors	(365)	9
Increase in creditors	635	980
Increase in stocks	(622)	(1,255)
	<u>538</u>	<u>556</u>
Net cash inflow from operating activities		

22. Analysis of changes in cash and cash equivalents during the year

	1995	1994
	£'000	£'000
At beginning of year:		
Cash at bank and in hand	398	553
Bank overdrafts	(2,183)	(2,123)
	<u>(1,785)</u>	<u>(1,570)</u>
Net cash outflow before adjustments for the effect of foreign exchange rate changes	(833)	(210)
Effect of changes in foreign exchange rates	4	(5)
	<u>(2,614)</u>	<u>(1,785)</u>
At end of year		
Represented by:		
Cash at bank and in hand	262	398
Bank overdrafts	(2,876)	(2,183)
	<u>(2,614)</u>	<u>(1,785)</u>

23. Minority interests

	1995
	£'000
Minority interest at beginning of year	19
Non-cash movements:	
Effect of changes in foreign exchange rates	1
Minority interest at end of year	<u>20</u>

24. Contingencies

On 30th April 1995, the parent company had entered into performance bonds in the normal course of business on behalf of subsidiary undertakings amounting to £242,000 (1994: £312,000) in respect of 27 (1994: 22) export contracts.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

25. Commitments

(a) **Capital commitments**

Capital commitments at 30th April, for which no provision has been made in these financial statements, were as follows:

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Contracted	135	150	-	80
Authorised but not contracted	290	50	-	-
	<hr/> 425 <hr/>	<hr/> 200 <hr/>	<hr/> - <hr/>	<hr/> 80 <hr/>

(b) **Other commitments**

The group is committed to pay annual premiums of £53,520 until February 1998 to insure itself against future interest rate increases: