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GOODWIN PLC
IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT



DIRECTORS REPORT AND ACCOUNTS
30th APRIL 1993



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:

National Westminster Bank PLC,
Registrar's Department,
P.O. Box No. 82, Bristol, BS99 7NH

Auditors:

KPMG Peat Marwick,
Peat House, 2 Cornwall Street, Birmingham, B3 2DL

NOTICE IS HEREBY GIVEN that the FIFTY-EIGHTH ANNUAL GENERAL MEETING of the company will be held at 10.00 am, on Tuesday, 9th November, 1993 at Stone House Hotel, Stone, Staffordshire, 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, 1993 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 Peat Marwick 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.
12th October, 1993

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 notorially 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.

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GOODWIN PLC

CHAIRMAN'S STATEMENT

I have pleasure in presenting the Directors' Report and Financial Statements for the year ended 30th April, 1993.

The Group made a profit of £208,000 before tax and is proposing to hold the dividend at the same level as last year, despite the reduced level of income.

Although overall turnover was down, our export sales and our sales per employee have increased. The cost of streamlining our workforce affected our bottom line performance, but this will provide the Group with significant benefits in the coming years.

The general lack of contracts in the domestic market coupled with un-businesslike competitor pricing encouraged us to vigorously continue the development of overseas markets.

We are now starting to see these markets provide significant opportunities for our products which we have made internationally competitive over the last few years. This programme of developing world sales, primarily outside Europe, over the last three years has been costly and such development has regrettably received no solid significant help from our Government. The Board, however, consider that with the lack of growth in Europe the policy we are pursuing is the only way to provide the Group with a sound future.

Refractory engineering provided a particularly strong performance during the year, and I am pleased to say that the Group has had good success in obtaining orders for its newly developed radar products, although we are still faced with continuing new product development costs.

I take this opportunity of thanking all our employees for their determined efforts over these past twelve difficult months and look forward to a more rewarding period for all.

J. W. Goodwin

J. W. GOODWIN,
Chairman.

24th September, 1993

GOODWIN PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 30th April, 1993.

Business review

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

	1993 £'000	1992 £'000
Turnover ...	13,541	14,205
Profit on ordinary activities before taxation	208	402
Taxation charge	(79)	(145)
Profit on ordinary activities after taxation ..	129	257

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 (1992: 0.655p per share) be paid to shareholders on the register at the close of business on 14th October, 1993. It is proposed that the retained profit of £82,000 is transferred to reserves.

Significant changes in fixed assets

The movements in fixed assets during the year are set out in notes 11 and 12 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 present directors of the company 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	
	1993	1992
<i>Beneficial</i>		
J. W. Goodwin ...	1,075,756	783,791
R. S. Goodwin ...	1,075,756	324,365
H. J. Horton ...	133,500	143,800
J. W. Goodwin and R. S. Goodwin ...	1,243,069	1,043,069
<i>Non-beneficial</i>		
J. Goodwin (deceased) and J. W. Goodwin	—	490,700
J. W. Goodwin, R. S. Goodwin and others	450,000	995,596

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, 1993 to 24th September, 1993 there has been no change in the directors' interests.

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.

Employees

The company pursues a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others. Steps are taken to inform and consult employees regarding matters affecting them.

Donations

Donations by the group for charitable purposes amounted to £679 (1992: £1,531).

Income and Corporation Taxes Act 1988

The company is a 'close company' under the provisions of this Act. During the period from 30th April, 1993 to 24th September 1993 there has been no change in this status.

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Shareholdings

Reference is made to the directors' interests disclosed above. The company has also been notified that, as at 24th September, 1993, the following held 3% or more of the issued share capital of the company: J. M. Securities Limited 1,243,069 shares (17.26%), J. S. Tainton 305,000 shares (4.24%), H. M. Baggley 303,716 shares (4.22%) and H. F. Baggley 244,000 shares (3.39%).

Liability insurance

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

Directors' Responsibilities

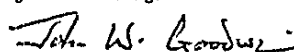
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit of the group for that period. In preparing those financial statements, the directors are required to

- 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 unless 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution concerning the re-appointment of KPMG Peat Marwick as auditors of the company will be proposed at the forthcoming annual general meeting.



Approved by the board of directors on 24th September, 1993 and signed on its behalf by:

J. W. GOODWIN
Chairman

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GOODWIN PLC
and Subsidiary Undertakings

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 30th APRIL, 1993

	1993 £'000	1992 £'000
TURNOVER ...		
Cost of sales ...	13,541	14,205
	(10,975)	(11,470)
GROSS PROFIT ...	2,566	2,735
Distribution costs ...	(445)	(453)
Administrative expenses ...	(1,802)	(1,772)
OPERATING PROFIT ...	319	510
Interest payable and similar items ...	(111)	(108)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION ...	208	402
Taxation on profit on ordinary activities ...	(79)	(145)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ...	129	257
Proposed dividend ...	(47)	(47)
RETAINED PROFIT FOR THE FINANCIAL YEAR ...	82	210
Earnings per ordinary share ...	1.8p	3.6p
All turnover and operating profit arises from continuing operations.		

STATEMENT OF RESERVES

	1993 £'000	1992 £'000
At beginning of year ...	2,938	2,729
Retained profit for the financial year ...	82	210
Exchange gain on re-translation of overseas subsidiaries' net assets ...	82	(1)
Exchange loss on re-translation of foreign currency liabilities related to overseas investments ...	(54)	-
At end of year ...	3,048	2,938

GOODWIN PLC

and Subsidiary Undertakings

GROUP BALANCE SHEET

At 30th APRIL, 1993

								1993		1992	
								£'000	£'000	£'000	£'000
FIXED ASSETS											
Tangible assets	...	...	...	...	...	...	11		2,274		2,384
CURRENT ASSETS											
Stocks	...	...	...	...	...	...	14	1,737		2,186	
Debtors	...	...	...	...	...	...	15	4,056		2,942	
Cash at bank and in hand	...	...	...	...	...	...		553		206	
								6,346		5,334	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR							16	(4,582)		(3,790)	
NET CURRENT ASSETS	...	...	...	...	...	...			1,764		1,544
TOTAL ASSETS LESS CURRENT LIABILITIES	...	...							4,038		3,928
PROVISIONS FOR LIABILITIES AND CHARGES	...	...					17		(270)		(270)
NET ASSETS	...	...	...	...	...	...			3,768		3,658
CAPITAL AND RESERVES											
Called up share capital	...	...	...	...	...	...	18		720		770
Profit and loss account	...	...	...	...	...	...	19		3,048		2,938
									3,768		3,658

These Financial Statements were approved by the board of directors on 24th September, 1993 and signed on its behalf by:

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

John W. Goodwin
R S Goodwin

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GOODWIN PLC

BALANCE SHEET At 30th APRIL, 1993

								1992		1993	
								£'000	£'000	£'000	£'000
								Notes			
FIXED ASSETS											
Tangible assets	...	...	...	...	...	...	...	12	747	826	
Investments	...	...	...	...	...	...	...	13	1,096	1,028	
										1,893	1,854
CURRENT ASSETS											
Debtors	...	...	...	...	...	...	...	14	1,225	1,026	
Cash at bank and in hand	...	...	...	...	...	...	...		442	71	
									1,667	1,097	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR								15	(1,236)	(1,011)	
NET CURRENT ASSETS										431	396
TOTAL ASSETS LESS CURRENT LIABILITIES										2,274	2,250
PROVISIONS FOR LIABILITIES AND CHARGES								17		(77)	(85)
NET ASSETS										2,197	2,165
CAPITAL AND RESERVES											
Called up share capital	...	...	...	...	...	...	...	18	720	720	
Profit and loss account	...	...	...	...	...	...	...	19	1,477	1,445	
									2,197	2,165	

These Financial Statements were approved by the board of directors on 24th September, 1993 and signed on its behalf by:

J. W. GOODWIN }
GOODWIN } Directors

J. W. Goodwin
R. J. Goodwin

GOODWIN PLC

and Subsidiary Undertakings

GROUP CASH FLOW STATEMENT For the year ended 30th APRIL, 1993

		1993	1992
	Notes	£'000	£'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	21	(17)	748
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividends received		(47)	(45)
Interest paid on bank loans		(112)	(111)
Interest received		4	3
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(155)	(153)
CORPORATION TAX PAID		(124)	(127)
INVESTING ACTIVITIES			
Fixed asset additions		(508)	(428)
Fixed asset disposals		13	19
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(495)	(409)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(791)	59
FINANCING			
Capital element of extended credit contracts		-	(11)
NET CASH OUTFLOW FROM FINANCING	23	-	(11)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	22	(791)	48

GOODWIN PLC

and Subsidiary Undertakings

OTHER PRIMARY FINANCIAL STATEMENTS

For the year ended 30th APRIL, 1993

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1993	1992
	£'000	£'000
Profit for the financial year	129	257
Currency translation differences on foreign currency net investments	28	(1)
Total recognised gains for the financial year	<u>157</u>	<u>256</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993	1992
	£'000	£'000
Profit for the financial year	129	257
Dividends	(47)	(47)
	<u>82</u>	<u>210</u>
Other recognised gains and losses relating to the year (net)	28	(1)
NET ADDITIONS TO SHAREHOLDERS' FUNDS	110	209
Opening shareholders' funds	<u>3,658</u>	<u>3,449</u>
CLOSING SHAREHOLDERS' FUNDS	<u>3,768</u>	<u>3,658</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

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

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 the group's 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.

(c) Depreciation

Depreciation is calculated so as to write off 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
Mineral reserves	...	...	...	Over commercial life when this is less than ten years

(d) Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. Cost includes relevant overheads where appropriate.

(e) Foreign exchange

The financial statements of overseas subsidiary undertakings have been translated into sterling at the rates of exchange ruling at the year end. Exchange differences arising on the retranslation of opening net assets of overseas subsidiary undertakings are taken directly to reserves, as are those on currency liabilities related to the overseas investment.

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

(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.

(g) Grants

Revenue based Government grants are credited to the profit and loss account so as to match them with the expenditure to which they are intended to contribute.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(h) Leasing

The costs of operating leases are charged to the profit and loss account in the year in which they are incurred.

(i) 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.

(j) Financial Reporting Standard No. 3

The Accounting Standards Board has issued Financial Reporting Standard 3 (FRS 3) which requires a company to disclose a range of important components of financial performance to aid users in understanding the financial statements for accounting periods ending on or after 22nd June, 1993.

The company has elected to adopt FRS 3 early and the financial statements have been prepared on a basis consistent with this standard, comparative figures being restated accordingly.

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:

	1993	1992
	£'000	£'000
United Kingdom ...	8,636	10,333
Rest of Europe ...	2,560	1,930
Other ...	2,345	1,942
	<u>13,541</u>	<u>14,205</u>

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

3. Interest payable and similar items

	1993	1992
	£'000	£'000
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years ...	115	111
Less: Interest receivable on bank deposits ...	(4)	(3)
	<u>111</u>	<u>108</u>

4. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	1993	1992
	£'000	£'000
Depreciation and amortisation of tangible fixed assets ...	365	335
Loss/(profit) on disposal of tangible fixed assets ...	4	(5)
Directors' emoluments (see note 5):		
Emoluments as executives ...	233	307
Pensions ...	17	17
Pension to former executive director ...	3	3
Operating leases: Plant and machinery ...	2	2
Hire of plant and machinery ...	46	51
Auditors' remuneration and expenses ...	39	38
Grants received ...	...	(10)

Fees charged by the company's auditors in respect of work carried out in the year for non audit services amounted to £22,565.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Emoluments of directors

Directors' remuneration excluding pension contributions includes:

Chairmen during periods of office:

J. Goodwin (highest paid director 1992)

J. W. Goodwin (highest paid director 1993)

1993
£'000

1992
£'000

—

105

85

6

The emoluments of the directors were within the following ranges:

£55,001 — £60,000	...	...	...	...	...	...	...	...	...	...	...
£65,001 — £70,000	...	...	...	...	...	...	...	...	...	...	...
£70,001 — £75,000	...	...	...	...	...	...	...	...	...	...	...
£85,001 — £90,000	...	...	...	...	...	...	...	...	...	...	...
£100,001 — £105,000	...	...	...	...	...	...	...	...	...	...	...

1993
Number

1992
Number

—

1

1

—

—

2

2

—

—

1

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:

Works personnel	...	...	...	...	...	...	...	...	...	...
Administrative staff	...	...	...	...	...	...	...	...	...	...

1993
Number

1992
Number

310

363

27

30

337

393

The aggregate payroll costs of these persons were as follows:

Wages and salaries	...	...	...	...	...	...	...	...	...	...
Social security costs	...	...	...	...	...	...	...	...	...	...
Other pension costs	...	...	...	...	...	...	...	...	...	...

1993
£'000

1992
£'000

4,249

4,577

430

452

26

29

4,705

5,058

7. Taxation on profit on ordinary activities

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

U.K. corporation tax at 25% to 33% (1992: 25% to 33%)	...	...	...	...	...	...	...	...	...
Deferred taxation	...	...	...	...	...	...	...	...	...
Overseas taxation	...	...	...	...	...	...	...	...	...

1993
£'000

1992
£'000

76

133

(2)

11

7

2

81

146

Over provision in previous years

(2)

(1)

79

145

8. Profit for the financial year

The consolidated profit for the financial year includes a profit of £75,000 (1992: £59,000) which has been dealt with in the financial statements of the parent company.

9. Proposed dividend

The proposed dividend of £47,160 (1992: £47,160) represents 0.655p per share (1992: 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 £129,000 and by reference to the 7,200,000 ordinary shares in issue throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Tangible fixed assets of the group

		Land and buildings Freehold £'000	Land and buildings Short leasehold £'000	Mineral reserves Freehold £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost							
At beginning of year	...	853	35	33	3,543	830	5,294
Additions	...	—	—	—	259	13	272
Disposals	...	—	—	—	(89)	—	(89)
At end of year	...	853	35	33	3,713	843	5,477
Depreciable assets	...	699	35	33	3,713	843	5,323
Depreciation and amortisation							
At beginning of year	...	273	10	—	2,051	576	2,910
Charged in year	...	21	—	—	289	55	365
Disposals	...	—	—	—	(72)	—	(72)
At end of year	...	294	10	—	2,268	631	3,203
Net book value							
At 30th April, 1992	...	580	25	33	1,492	254	2,384
At 30th April, 1993	...	559	25	33	1,445	212	2,274

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	636	1,563
Additions	...	—	—	—	6	6
At end of year	...	633	35	259	642	1,569
Depreciable assets	...	590	35	259	642	1,526
Depreciation and amortisation						
At beginning of year	...	182	10	87	458	737
Charged in year	...	14	—	30	41	85
At end of year	...	196	10	117	499	822
Net book value						
At 30th April, 1992	...	451	25	172	178	826
At 30th April, 1993	...	437	25	142	143	747

13. Investments of the company in shares in subsidiary undertakings

		£'000
Cost		
At beginning of year	...	1,028
Addition in year	...	10
Exchange gain on re-translation of investment in overseas subsidiary	...	58
At end of year	...	1,096

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Investments of the company in shares in subsidiary (continued)

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

Subsidiary undertakings	Country of incorporation and operation	Type of shares	% held
R. Goodwin International Limited	England	Ordinary	100
		Preference	100
Goodwin Steel Castings Limited	England	Ordinary	100
Hoben Davis Limited	England	Ordinary	100
		Preference	100
Hoben Quarries Limited	England	Ordinary	100
Goodwin Minerals Limited	England	Ordinary	100
Easat Antennas Limited	England	Ordinary	87½
Goodwin GmbH	Germany	Ordinary	100
Goodwin STK Metal and Minerals Limited	Hong Kong	Ordinary	100

All U.K. subsidiary undertakings, with the exception of Goodwin Minerals Limited which is dormant, are involved in mechanical and refractory engineering. The two overseas subsidiary undertakings are solely marketing operations. During the year the company arranged for the incorporation of a wholly owned subsidiary undertaking, Goodwin y Asociados CA, in Venezuela. The initial investment of £10,000 represents the acquisition of the whole of the issued ordinary share capital of the company. The company did not trade during the year.

14. Stock and work in progress of the group

	1993 £'000	1992 £'000
Raw materials and consumables	896	963
Work in progress	526	760
Less: payments on account	(132)	(83)
	<u>394</u>	<u>677</u>
Finished goods and goods for resale	447	540
	<u>1,737</u>	<u>2,186</u>

15. Debtors

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Trade debtors	3,930	2,844	—	—
Amounts owed by group undertakings	—	—	1,145	982
Other debtors	50	37	22	18
Prepayments and accrued income	76	61	35	26
Group relief receivable	—	—	7	—
ACT recoverable	—	—	16	—
	<u>4,056</u>	<u>2,942</u>	<u>1,225</u>	<u>1,026</u>

Included in prepayments and accrued income of the group are pension contributions paid in the year of £5,000 (1992: £5,000).

16. Creditors: amounts falling due within one year

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Bank loans and overdrafts	2,123	955	429	4
Payments received on account	108	145	—	—
Trade creditors	1,805	2,043	75	28
Amounts owed to group undertakings	—	—	610	553
Other creditors including taxation and social security:				
Corporation tax	83	128	14	12
Other taxes	172	206	13	11
Social security	72	74	10	9
Other creditors	14	—	—	—
	<u>341</u>	<u>408</u>	<u>37</u>	<u>32</u>
Accruals and deferred income	158	152	38	37
Proposed dividend	47	47	47	47
	<u>4,582</u>	<u>3,790</u>	<u>1,236</u>	<u>701</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Provisions for liabilities and charges

	Deferred taxation	
	Group	Company
	£'000	£'000
Balance at beginning of year ...	270	85
Advance corporation tax utilised during the year ...	16	16
Advance corporation tax on proposed dividend ...	(14)	(14)
Credit for the year in the profit and loss account ...	(2)	(10)
Balance at end of year ...	270	77

The amount provided for deferred taxation, which is the full potential liability calculated on the liability method at 33% (1992: 33%), is set out below:

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Difference between accumulated depreciation and amortisation and capital allowances ...	284	286	91	101
Advance corporation tax recoverable ...	(14)	(16)	(14)	(16)
	270	270	77	85

18. Called up share capital

	1993	1992
	£'000	£'000
Authorised, allotted, called up and fully paid: 7,200,000 ordinary shares of 10p each ...	720	720

19. Profit and loss account

Group

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

Company

	£'000
At beginning of year ...	1,445
Retained profit for the year ...	28
Exchange gain on re-translation of overseas investments ...	58
Exchange loss on re-translation of foreign currency liabilities related to overseas investments ...	(54)
At end of year ...	1,477

20. Reconciliation of movements in shareholders' funds

Company

	1993	1992
	£'000	£'000
Profit for the financial year ...	75	59
Dividends ...	(47)	(47)
	28	12
Other recognised gains and losses relating to the year (net) ...	4	-
Net additions to shareholders' funds ...	32	12
Opening shareholders' funds ...	2,165	2,153
Closing shareholders' funds ...	2,197	2,165

21. Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	1993	1992
	£'000	£'000
Operating profit ...	319	510
Depreciation charge ...	365	335
Loss/(profit) on sale of fixed assets ...	4	(5)
Increase in debtors ...	(1,092)	(312)
(Decrease)/increase in creditors ...	(66)	50
Decrease in stocks ...	453	170
Net cash (outflow)/inflow from operating activities ...	(17)	748

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	1993 £'000	1992 £'000
At beginning of year:		
Cash at bank and in hand ...	206	66
Bank overdrafts ...	(995)	(903)
	(789)	(837)
Net cash outflow before adjustments for the effect of foreign exchange rate changes ...	(791)	48
Effect of changes in foreign exchange rates ...	10	-
At end of year ...	(1,570)	(789)
Represented by:		
Cash at bank and in hand ...	553	206
Bank overdrafts ...	(2,123)	(995)
	(1,570)	(789)

23. Analysis of changes in financing during the year

	1993 £'000	1992 £'000
At beginning of year ...	-	11
Cash outflows from financing ...	-	(11)
At end of year ...	-	-

24. Contingencies

On 30th April 1993, the parent company was jointly and severally liable for value added tax due by members of the group amounting to £107,000 (1992: £137,000) and had entered into performance bonds in the normal course of business on behalf of subsidiary undertakings amounting to £383,000 (1992: £412,000) in respect of 30 export contracts.

25. Commitments

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

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Contracted ...	105	68	80	-
Authorised but not contracted ...	-	17	-	-
	105	85	80	-

29.11.93

REPORT OF THE AUDITORS

to the Members of

GOODWIN PLC

We have audited the financial statements on pages 5 to 16.

Respective responsibilities of directors and auditors

As described on page 4 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, 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG PEAT MARWICK
Chartered Accountants
Registered Auditors

Birmingham
24th September, 1993