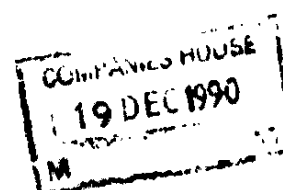


305907

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



DIRECTORS REPORT AND ACCOUNTS
30th APR'L 1990



305907

GOODWIN PLC

Established 1883

Directors:

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

Secretary and registered office:

S. G. Peach, F.C.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 McLintock,
Peat House, 2 Cornwall Street, Birmingham, B3 2UL

NOTICE IS HEREBY GIVEN that the FIFTY-FIFTH ANNUAL GENERAL MEETING of the company will be held at 10.00 am, on Wednesday, 14th November 1990 at Great Moreton Hall, Congleton, 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 accounts for the year ended 30th April, 1990 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 McLintock as auditors and to authorise the directors to fix their remuneration.

By Order of the Board,
S. G. PEACH,
Secretary.

Registered Office:

Ivy House Foundry,
Hanley, Stoke-on-Trent.
19th October, 1990

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 accounts for the year ended 30th April, 1990.

The year's trading resulted in a profit before taxation of £416,000.

The year under review has been interesting from many aspects. Sales have increased, and production efficiency has improved, but profitability has had to contend with high interest rates.

The new computer, installed in the shortest possible time, is proving of exceptional value. The benefits have been seen by all divisions, and particularly by the nightshifts melting metal at off-peak periods to minimise high energy costs.

Competition from the Far East has had its effects, and in all probability competition from Eastern Block countries will increase considerably. However, with our policy of utilising the best technology on a diverse product range, we feel we can meet this challenge, providing social and energy costs in this country do not undermine our efforts.

Direct export sales of our products during the year were made to 46 different countries and should expand further in the coming year. The current year has got off to a good start, but it would be a brave man to forecast the year's results in this unsettled climate.

J. GOODWIN,
Chairman.

28th September, 1990

GOODWIN PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 30th April, 1990.

Business review

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

	1990 £'000	1989 £'000
Turnover	14,201	11,620
Profit on ordinary activities before taxation	416	322
Taxation charge	(100)	(110)
Profit on ordinary activities after taxation	256	212

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

Proposed dividend

The directors recommend that a dividend of 0.6p per share (1989: 0.6p per share) be paid to shareholders on the register at the close of business on 18th October, 1990. It is proposed that the retained profit of £213,000 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 accounts.

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 serving during the financial year were:

J. Goodwin
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	
	30,490	30,489
<i>Beneficial</i>		
J. Goodwin	37,958	37,958
J. W. Goodwin	788,142	788,142
R. S. Goodwin	308,916	308,916
H. J. Horton	207,500	207,500
<i>Non-beneficial</i>		
J. Goodwin and J. W. Goodwin	1,489,836	1,489,836
J. W. Goodwin and others	995,596	995,596

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

During the period from 30th April, 1990 to 19th September, 1990 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.

Charitable donations

Donations by the group for charitable purposes amounted to £1,870 (1989: £250).

Income and Corporation Taxes Act 1988

The 'close company' provisions of this Act do not apply to the company.

Shareholdings

In addition to the directors' interests disclosed above, the company has been notified that, as at 19th September 1990, the following held more than 3% of the issued share capital of the company: H. F. Baggeley 395,000 shares (5.48%), Hanover Nominees Ltd 356,400 shares (4.95%), and J. S. Tainton 305,000 shares (4.24%).

Auditors

On 1st January 1990, our auditors changed the name under which they practise to KPMG Peat Marwick McLintock, and accordingly have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution concerning the re-appointment of KPMG Peat Marwick McLintock as auditors of the company will be proposed at the forthcoming annual general meeting.

By Order of the Board
J. GOODWIN

Chairman



28th September, 1990

GOODWIN PLC

and Subsidiary Companies

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 30th APRIL, 1990

	Notes	1990 £'000	1989 £'000
TURNOVER	2	14,201	11,620
Cost of sales		(11,576)	(9,414)
GROSS PROFIT		2,625	2,206
Distribution costs		(478)	(446)
Administrative expenses		(1,510)	(1,314)
Interest payable and similar items	3	(221)	(124)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	416	322
Taxation on profit on ordinary activities	7	(160)	(110)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	256	212
Proposed dividend	9	(43)	(43)
RETAINED PROFIT FOR THE FINANCIAL YEAR		213	169
Earnings per ordinary share	10	3.6p	2.9p

STATEMENT OF RESERVES

	1990 £'000	1989 £'000
At 30th April, 1989	2,227	2,048
Retained profit for the financial year	213	169
Exchange gain on re-translation of overseas subsidiaries' net assets	30	49
Exchange loss on re-translation of foreign currency borrowings	(30)	(39)
At 30th April 1990	2,440	2,227

GOODWIN PLC

and Subsidiary Companies

GROUP BALANCE SHEET

At 30th APRIL, 1990

		1990		1989	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	11		1,793		1,595
CURRENT ASSETS					
Stocks	14	1,940		1,966	
Debtors	15	3,756		3,684	
Cash at bank and in hand		145		111	
		5,841		5,761	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(4,201)		(4,007)	
NET CURRENT ASSETS			1,640		1,754
TOTAL ASSETS LESS CURRENT LIABILITIES			3,433		3,349
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(11)		(114)
PROVISIONS FOR LIABILITIES AND CHARGES	19		(262)		(288)
NET ASSETS			3,160		2,947
CAPITAL AND RESERVES					
Called up share capital	20	720		720	
Profit and loss account		2,440		2,227	
		3,160		2,947	

These accounts were approved by the board of directors on 28th September, 1990.

J. GOODWIN }
J. W. GOODWIN } Directors

John W. Goodwin

GOODWIN PLC

BALANCE SHEET At 30th APRIL, 1990

		1990		1989	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	12	830		800	
Investments	13	1,028		1,028	
			1,867		1,708
CURRENT ASSETS					
Debtors	15	2,148		2,422	
Cash at bank and in hand		88		2	
		2,234		2,424	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(1,806)		(1,882)	
NET CURRENT ASSETS			328		542
TOTAL ASSETS LESS CURRENT LIABILITIES			2,195		2,250
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(1)		(98)
PROVISIONS FOR LIABILITIES AND CHARGES	19		(108)		(116)
NET ASSETS			2,088		2,066
CAPITAL AND RESERVES					
Called up share capital	20		720		720
Profit and loss account	21		1,368		1,348
			2,088		2,066

These accounts were approved by the board of directors on 18th September, 1990.

J. GOODWIN }
J. W. GOODWIN } *Directors*

John W Goodwin
John W Goodwin

GOODWIN PLC

and Subsidiary Companies

GROUP SOURCE AND APPLICATION OF FUNDS

For the year ended 30th APRIL, 1990

	1990		1989	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		416		322
Adjustment for items not involving the movement of funds:				
Depreciation and amortisation	271		204	
Loss/(profit) on sale of tangible fixed assets	3		(2)	
Effect of exchange rate movements	-		10	
		<u>274</u>		<u>212</u>
FUNDS GENERATED FROM OPERATIONS		690		534
FUNDS FROM OTHER SOURCES				
Proceeds of disposal of tangible fixed assets	14		9	
Creditors falling due after more than one year	11		-	
		<u>25</u>		<u>9</u>
		715		543
APPLICATION OF FUNDS				
Purchase of tangible fixed assets	(488)		(72)	
Tax paid (net)	(134)		(118)	
Dividend paid	(43)		(43)	
		<u>(663)</u>		<u>(233)</u>
INCREASE IN WORKING CAPITAL		<u>52</u>		<u>310</u>
COMPONENTS OF INCREASE IN WORKING CAPITAL				
Stocks		(26)		383
Debtors		74		1,375
Creditors falling due within one year		(252)		(64)
Movement in net liquid funds:				
Increase/(decrease) in cash at bank and in hand	34		(443)	
Decrease/(increase) in bank loans and overdrafts	222		(941)	
		<u>256</u>		<u>(1,394)</u>
		<u>52</u>		<u>310</u>

NOTES TO THE ACCOUNTS

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 accounts:

(a) **Basis of accounting**

The accounts have been prepared under the historical cost accounting rules.

(b) **Consolidation principles**

- (i) The group accounts include the results of the parent company and all of its subsidiary companies made up to 30th April.
- (ii) The excess cost of shares in subsidiary companies over the book value of the net tangible assets acquired is written off against reserves in the group accounts.
- (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 over their estimated useful lives. The method of calculation and the annual rates applied are as follows:

Freehold land	...	...	...	Nil
Freehold buildings	Industrial	...	...	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	...	...	...	25% on reducing balance
Mineral reserves	...	...	...	Over commercial life when this is less than ten years

Provision for depreciation on freehold buildings where the estimated remaining life exceeds 50 years is not considered necessary. Any depreciation involved would not be material.

(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 accounts of overseas subsidiary companies 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 companies are taken directly to reserves, as are those on currency loans used for 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) **Research and development**

Research and development expenditure is written off in the year in which it is incurred except expenditure on tangible fixed assets which is capitalised and depreciated in the normal manner.

(g) **Deferred taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

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

(h) **Grants**

Grants receivable relating to fixed asset purchases are deducted from the cost of fixed assets when they become receivable with certainty. Revenue grants are credited to the profit and loss account in the year in which they arise.

(i) **Leasing**

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

(j) **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.

NOTES TO THE ACCOUNTS (continued)

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:

	1990 £'000	1989 £'000
United Kingdom	10,188	8,888
Rest of Europe	2,246	2,108
Other	1,787	813
	<u>14,201</u>	<u>11,820</u>

3. Interest payable and similar items

	1990 £'000	1989 £'000
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	238	129
Less: Interest receivable on bank deposits	(7)	-
	<u>231</u>	<u>129</u>
Less: Other operating income	(10)	(5)
	<u>221</u>	<u>124</u>

4. Profit on ordinary activities before taxation

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

	1990 £'000	1989 £'000
Depreciation and amortisation of tangible fixed assets	271	204
Loss/(profit) on disposal of tangible fixed assets	3	(2)
Directors' emoluments (see note 5):		
Emoluments as executives	263	232
Pension to former executive director	3	3
Operating leases: Plant and machinery	25	23
Hire of plant and machinery	76	83
Auditors' remuneration and expenses	33	30

5. Emoluments of directors

Excluding pension contributions, the emoluments of the chairman, who was the highest paid director, were £83,341 (1989: £73,217).

The emoluments of the other directors were within the following ranges.

	1990 Number	1989 Number
£45,001 - £50,000	-	3
£50,001 - £55,000	3	-

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:

	1990 Number	1989 Number
Works personnel	383	367
Administrative staff	26	22
	<u>419</u>	<u>389</u>

The aggregate payroll costs of these persons were as follows:

	1990 £'000	1989 £'000
Wages and salaries	4,318	3,846
Social security costs	428	359
Other pension costs	31	29
	<u>4,777</u>	<u>4,034</u>

7. Taxation on profit on ordinary activities

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

	1990 £'000	1989 £'000
UK corporation tax at 25% to 35%	192	156
Deferred taxation at 35%	(26)	(24)
Overseas taxation	11	-
	<u>177</u>	<u>132</u>
Over provision in previous years	(17)	(22)
	<u>160</u>	<u>110</u>

NOTES TO THE ACCOUNTS (continued)

8. Profit for the financial year

The consolidated profit for the financial year includes a profit of £85,000 (1989: £113,000) which has been dealt with in the accounts of the parent company.

9. Proposed dividend

The proposed dividend of £43,200 (1989: £43,200) represents 0.5p per share (1989: 0.5p per share).

10. Earnings per ordinary share

The earnings per ordinary share has been calculated on profit after taxation on ordinary activities of £256,000 and by reference to the 7,200,000 ordinary shares in issue throughout the year.

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 1st May, 1989	863	35	33	2,386	577	3,894
Additions	—	—	—	300	186	486
Disposals	—	—	—	(51)	(1)	(52)
At 30th April, 1990	863	35	33	2,605	762	4,298
Depreciable assets	861	35	33	2,605	762	4,096
Depreciation and amortisation						
At 1st May, 1989	213	8	—	1,889	359	2,269
Charged in year	19	1	—	158	93	271
Disposals	—	—	—	(44)	(1)	(45)
At 30th April, 1990	232	9	—	1,803	451	2,495
Net book value						
At 30th April, 1990	621	26	33	802	311	1,793
At 30th April, 1989	640	27	33	577	218	1,585

Included in plant and machinery of the group are assets being purchased under extended credit contracts with a net book value of £84,000 (1989: £Nil) [Company £18,000 (1989: £Nil)]. The depreciation charged on such assets amounted to £28,000 (1989: £Nil) [Company £8,000 (1989: £Nil)].

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 1st May, 1989	633	35	99	418	1,185
Additions	—	—	99	162	261
Disposals	—	—	(7)	—	(7)
At 30th April, 1990	633	35	191	580	1,439
Depreciable assets	453	35	191	580	1,259
Depreciation and amortisation					
At 1st May, 1989	145	8	71	281	506
Charged in year	11	1	13	78	101
Disposals	—	—	(6)	—	(6)
At 30th April, 1990	156	9	78	357	600
Net book value					
At 30th April, 1990	477	26	113	223	839
At 30th April, 1989	488	27	28	137	680

NOTES TO THE ACCOUNTS (continued)

13. Investments of the company (held as fixed assets)

Cost

At 1st May, 1989 and 30th April, 1990

Shares in
group companies
£'000
1,028

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

<i>Subsidiary companies</i>	<i>Country of incorporation and operation</i>	<i>Type of shares</i>	<i>% held</i>
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	87 1/2
Goodwin GmbH	West Germany	Ordinary	100
Goodwin STK Metal and Minerals Limited	Hong Kong	Ordinary	100

14. Stock and work in progress of the group

	1990		1989	
	£'000	£'000	£'000	£'000
Raw materials and consumables		793		874
Work in progress	846		702	
Less: payments on account	(206)		(113)	
		<u>640</u>		<u>569</u>
Finished goods and goods for resale		507		503
		<u>1,940</u>		<u>1,988</u>

15. Debtors

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Trade debtors	3,689	3,802	—	—
Amounts owed by group companies	—	—	2,107	2,340
Other debtors	24	22	24	53
Prepayments and accrued income	43	60	17	29
	<u>3,756</u>	<u>3,684</u>	<u>2,148</u>	<u>2,422</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Bank loans and overdrafts	1,498	1,720	1,023	1,110
Payments received on account	109	100	—	—
Trade creditors	1,533	1,452	28	25
Amounts owed to group companies	—	—	623	544
Other creditors including taxation and social security:				
Corporation tax	313	152	91	66
Other taxes	358	236	36	34
Social security	67	73	14	13
Other creditors (note 18)	30	—	3	—
	<u>771</u>	<u>481</u>	<u>144</u>	<u>113</u>
Accruals and deferred income	247	231	46	47
Proposed dividend	43	43	43	43
	<u>4,201</u>	<u>4,007</u>	<u>1,906</u>	<u>1,882</u>

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Corporation tax payable:				
20th May, 1990	—	114	—	66
Other creditors (note 18)	11	—	1	—
	<u>11</u>	<u>114</u>	<u>1</u>	<u>66</u>

NOTES TO THE ACCOUNTS (continued)

18. Obligations under extended credit contracts	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Amounts payable within one year	30		3	
Amounts payable within two to five years	11		1	
	41		4	

19. Provisions for liabilities and charges

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Balance at 1st May, 1989			288	116
Advance corporation tax utilised during the year			14	14
Advance corporation tax on proposed dividend			(14)	(14)
Credit for the year in the profit and loss account			(26)	(10)

Balance at 30th April, 1990

The amount provided for deferred taxation, which is the full potential liability calculated on the liability method at 35% (1989: 35%), is set out below:

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Difference between accumulated depreciation and amortisation and capital allowances	276	302	120	130
Advance corporation tax recoverable	(14)	(14)	(14)	(14)
	262	288	106	116

20. Called up share capital

Authorised, allotted, called up and fully paid: 720,000 ordinary shares of 10p each	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
	720		720	

21. Profit and loss account

	Company	
	1990 £'000	1989 £'000
At 1st May, 1989		1,346
Retained profit for the year		22
At 30th April, 1990		1,368

22. Contingencies

At 30th April, 1990 the parent company was jointly and severally liable for value added tax due by members of the group amounting to £268,000 (1989: £138,000) and had entered into performance bonds in the normal course of business on behalf of subsidiaries amounting to £494,000 (1989: £231,000).

23. Commitments

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

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Contracted	10	38	5	20
Authorised but not contracted	360	420	5	210
	370	458	10	230

REPORT OF THE AUDITORS

to the Members of

GOODWIN PLC

We have audited the accounts on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 30th April, 1990 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock

KPMG PEAT MARWICK McLINTOCK
Chartered Accountants

Birmingham

28th September, 1990