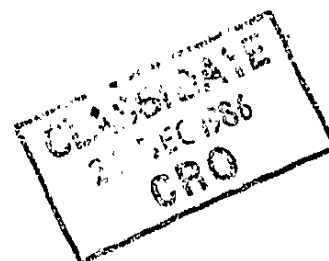


46 128

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



DIRECTORS REPORT AND ACCOUNTS  
30<sup>th</sup> APRIL 1986



# GOODWIN PLC

(Established 1833)

## *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:*

Peat, Marwick, Mitchell & Co.,  
Peat House, 45 Church Street, Birmingham, B3 2DL

NOTICE IS HEREBY GIVEN that the FIFTY-FIRST ANNUAL GENERAL MEETING of the company will be held at Great Moreton Hall, Congleton, Cheshire, on Wednesday, 12th November, 1986 at 3.00 pm 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, 1986 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 Peat, Marwick, Mitchell & Co. as auditors and to authorise the directors to fix their remuneration.

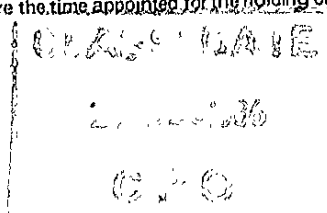
By Order of the Board,  
S. G. PEACH,  
Secretary.

Registered Office:  
Ivy House Foundry,  
Hanley, Stoke-on-Trent,  
17th October, 1986

## 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, 1986.

The Group made a profit before taxation of £560,432. The increased profitability over the previous year was due to increased sales to the energy related industries and the resultant better utilisation of our plant and equipment. Towards the end of the year our market suffered as a result of the drop in the oil price and our forward order book decreased rapidly. This reduction in orders gave rise to a reduction in work-in-progress and an austere policy for the forthcoming year. We are determined to find new product outlets to offset this downturn, but this is no easy matter when at the same time these products must utilise existing plant.

The reorganisation of our quarry production has been completed and, due to our success in the research and development of our refractory products, we are now commencing the extension to our chemical and refractories manufacturing. We anticipate that this extension will be completed before the end of the year and will result in greater economies and increased production.

The call for stringent quality controls on production is becoming an everyday requirement. To this end we commenced a programme three years ago to computerise our production and obtain BS 5750 quality approval. The foundry was the first steel foundry in the country to obtain this approval and now our engineering facilities have also been approved. The initial work in the programme was considerable and, of course, is ongoing. This qualification, together with other major contractor approvals, enables us to undertake work having a high technology content.

The required environmental controls which have given rise to the closure of many foundries have been satisfied at our steel foundry on the electric melting furnaces. However, the competition in this industry is still fierce, due to the high energy cost and depressed markets in this country. In the current year profitability is difficult to predict, but the future outlook for the Company is healthy.

J. GOODWIN,  
*Chairman.*

9th October, 1986

# GOODWIN PLC

## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 30th April, 1986.

### 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:

	1986 £	1985 £
Turnover	9,918,125	7,943,703
Profit on ordinary activities before taxation	560,432	129,489
Taxation	(208,043)	(65,613)
Profit on ordinary activities after taxation	352,389	63,876
Extraordinary item	---	10,500
Profit for the financial year	352,389	63,876

### Proposed dividend

The directors recommend that a dividend of 0.8p per share (1985: 0.6p per share) be paid to shareholders on the register at the close of business on 23rd October, 1986.

### Significant changes in fixed assets

The movements in fixed assets during the year are set out in notes 13 and 14 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.

No director has a service agreement with the company.

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

	10p ordinary shares 30.4.86	30.4.85
<i>Beneficial</i>		
J. Goodwin	487,958	487,958
J. W. Goodwin	768,142	768,142
R. S. Goodwin	358,916	295,116
H. J. Horton	207,500	207,500
<i>Non-beneficial</i>		
J. Goodwin and J. W. Goodwin	1,469,836	1,469,836
J. W. Goodwin and others	545,596	545,596

No director has any beneficial interest in the share capital of any subsidiary company.

During the period from 30th April, 1986 to 30th September, 1986 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 £1,445 (1985: £1,186).

### Income and Corporation Taxes Act 1970 as amended

The 'close company' provisions of this Act apply to the company.

**Shareholdings**

Other than participators who are directors of the company there are two shareholders holding more than 5% of the issued share capital: H. M. Baggley and H. F. B. Baggley holding 503,716 and 465,000 shares respectively at 30th September, 1986.


**Auditors**

In accordance with Section 384 (1) of the Companies Act 1985, a resolution for the re-appointment of Peat, Marwick, Mitchell & Co. as auditors of the company is to be proposed at the forthcoming annual general meeting.

9th October, 1986

By order of the board  
J. GOODWIN

Chairman



# GOODWIN PLC

and Subsidiary Companies

## GROUP PROFIT AND LOSS ACCOUNT

For the year ended 30th APRIL 1986

		Notes	1986 £	1985 £
<b>TURNOVER</b> ...	...	2	9,918,125	7,048,701
Cost of sales	...		(8,002,293)	(5,651,648)
<b>GROSS PROFIT</b> ...	...		1,915,832	1,397,053
Distribution costs	...		(330,564)	(275,687)
Administrative expenses	...		(930,798)	(927,133)
Interest payable and other items	...	3	(94,038)	(69,745)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> ...	...	4	560,432	124,488
Taxation on profit on ordinary activities	...	7	(208,048)	(66,616)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b> ...	...		352,384	57,872
Extraordinary item	...	8	—	10,500
<b>PROFIT FOR THE FINANCIAL YEAR</b> ...	...	9	352,384	68,372
Proposed dividend	...	10	(57,600)	(43,200)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b> ...	...		294,784	25,172
Earnings per ordinary share	...	11	4.89p	0.80p

## STATEMENT OF RESERVES

		Notes	1986 £	1985 £
<b>At 1st May, 1985:</b>				
As previously reported	...	12	1,947,945	1,851,971
Prior year adjustment	...		(151,750)	(151,750)
<b>As restated</b>	...		1,796,195	1,700,221
<b>Retained profit for the financial year:</b>				
Group	...		294,784	17,305
Related company...	...		—	7,867
<b>Exchange movement</b>	...		294,784	25,172
	...		(90,376)	70,802
<b>At 30th April, 1986</b>	...		2,000,603	1,796,195
<b>Analysis of reserves at 30th April, 1986</b>				
Group	...		2,000,603	1,785,152
Related company	...		—	11,043
	...		2,000,603	1,796,195

# GOODWIN PLC

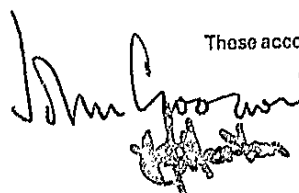
and Subsidiary Companies

## GROUP BALANCE SHEET

At 30th APRIL 1986

										1986		1985	
										£	£	£	£
										Notes			
<b>FIXED ASSETS</b>													
Tangible assets	...	...	...	...	...	...	...	...	...	13	1,808,507		1,762,636
Investments	...	...	...	...	...	...	...	...	...	15	—		11,100
											1,808,507		1,773,736
<b>CURRENT ASSETS</b>													
Stocks	...	...	...	...	...	...	...	...	...	17	1,479,259		1,751,472
Debtors	...	...	...	...	...	...	...	...	...	18	2,326,247		2,018,840
Cash at bank and in hand	...	...	...	...	...	...	...	...	...		84,141		401,230
											3,889,647		4,171,542
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>										19	(2,403,392)		(3,037,865)
<b>NET CURRENT ASSETS</b>												1,486,255	1,133,677
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>												3,294,762	2,907,413
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>										20		(207,886)	(10,540)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>										21		(366,273)	(380,678)
<b>NET ASSETS</b>												2,720,603	2,516,195
<b>CAPITAL AND RESERVES</b>													
Called up share capital	...	...	...	...	...	...	...	...	...	22	720,000		720,000
Profit and loss account	...	...	...	...	...	...	...	...	...		2,000,603		1,796,195
											2,720,603		2,516,195

These accounts were approved by the board of directors on 9th October, 1986.

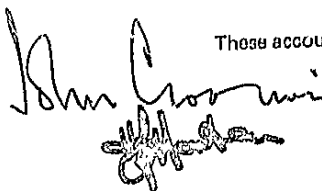
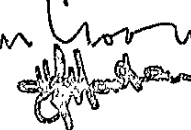

 J. GOODWIN  
 H. J. HORTON } Directors

# GOODWIN PLC

## BALANCE SHEET At 30th APRIL 1986

								1986		1985	
								£	£	£	£
								Notes			
<b>FIXED ASSETS</b>											
Tangible assets	...	...	...	...	...	...	...	14	735,561	758,172	
Investments	...	...	...	...	...	...	...	16	1,020,343	1,020,343	
									1,755,904		1,778,515
<b>CURRENT ASSETS</b>											
Debtors	...	...	...	...	...	...	...	18	1,316,643	1,138,833	
Cash at bank and in hand	...	...	...	...	...	...	...		1,599	188,842	
									1,318,242	1,327,675	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>								19	(1,198,059)	(1,251,789)	
<b>NET CURRENT ASSETS</b>										120,183	75,886
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>										1,876,087	1,854,401
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>								20	(13,948)		—
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>								21	(127,773)	(123,440)	
<b>NET ASSETS</b>									1,734,466	1,730,961	
<b>CAPITAL AND RESERVES</b>											
Called up share capital	...	...	...	...	...	...	...	22	720,000	720,000	
Profit and loss account	...	...	...	...	...	...	...	23	1,014,466	1,010,961	
									1,734,466	1,730,961	

These accounts were approved by the board of directors on 9th October, 1986.



 J. GOODWIN  
 H. J. HORTON } Directors



# GOODWIN PLC

and Subsidiary Companies

## GROUP SOURCE AND APPLICATION OF FUNDS

For the year ended 30th APRIL 1986

	1986		1985	
	£	£	£	£
<b>SOURCE OF FUNDS</b>				
Profit on ordinary activities before taxation ... ..		560,432		124,438
Adjustment for items not involving the movement of funds:				
Depreciation and amortisation ... ..	252,318		234,225	
Profit on sale of tangible fixed assets ... ..	(199)		(18,839)	
Effect of exchange rate movements... ..	(92,863)		71,077	
Group share of profit of related company ... ..	—		(7,867)	
Amounts written off investments ... ..	11,100		—	
		<u>170,356</u>		<u>280,596</u>
<b>FUNDS GENERATED FROM OPERATIONS</b> ... ..		730,788		405,084
<b>FUNDS FROM OTHER SOURCES</b>				
Proceeds of disposal of tangible fixed assets ... ..	24,252		40,193	
Repayment of loan by related company ... ..	—		78,094	
		<u>24,252</u>		<u>118,287</u>
		755,040		523,371
<b>APPLICATION OF FUNDS</b>				
Purchase of tangible fixed assets . . . . .	(322,002)		(373,945)	
Tax paid (net) ... ..	(17,855)		(54,226)	
Dividend paid ... ..	(43,200)		(43,200)	
		<u>(383,057)</u>		<u>(471,371)</u>
Decrease in bank loans ... ..		—		(316,566)
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b> ... ..		<u>371,983</u>		<u>(264,566)</u>
<b>COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL</b>				
Stocks ... ..		(272,213)		624,064
Debtors ... ..		301,560		408,086
Investments ... ..		—		(246,547)
Creditors falling due within one year ... ..		125,066		(272,360)
Movement in net liquid funds:				
(Decrease)/increase in cash at bank and in hand ... ..	(317,089)		162,355	
Decrease/(increase) in bank loans and overdrafts ... ..	534,659		(940,164)	
		<u>217,570</u>		<u>(777,809)</u>
		<u>371,983</u>		<u>(264,566)</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 convention.
- (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 has been written off against reserves in the group accounts. This represents a change in accounting policy and is fully explained in Note 12 to the 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 | ... | ... | ... | 2 1/2 % 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. The effect of changes in exchange rates on the opening net investment in overseas subsidiary companies is included as a movement on reserves.  
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 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.

### 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:

									1986	1985
									£	£
United Kingdom	...	...	...	...	...	...	...	...	6,830,540	5,164,535
Rest of Europe	...	...	...	...	...	...	...	...	1,796,816	1,468,228
Other	...	...	...	...	...	...	...	...	1,290,769	415,938
									<u>9,918,125</u>	<u>7,048,701</u>

# **NOTES TO THE ACCOUNTS (continued)**

## **3. Interest payable and other items**

	1986 £	1985 £
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	101,514	112,013
Less: Interest receivable:		
On short term listed investment	(7,376)	(22,015)
On bank deposits	—	(5,817)
From related company	—	(2,498)
	(7,376)	(30,330)
Loss on sale of short term listed investment...	—	2,825
	94,128	84,508
Less: Other operating income	(11,190)	(6,896)
Group share of profit of related company	—	(7,867)
	82,938	69,745
Amounts written off investments	11,100	—
	94,038	69,745

## **4. Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is stated after charging/(crediting) the following:	1986 £	1985 £
Depreciation and amortisation of tangible fixed assets	252,318	234,225
Profit on disposal of tangible fixed assets	(199)	(16,839)
Directors' emoluments (see note 5):		
Emoluments as executives	183,075	163,460
Pension to former executive director	2,500	2,500
Operating leases:		
Hire of plant and machinery	47,171	36,300
Auditors' remuneration and expenses	24,500	23,500

## **5. Emoluments of directors**

Excluding pension contributions, the emoluments of the chairman, who was the highest paid director, were £49,809 (1985: £44,137).

The emoluments of the directors were within the following ranges:

	1986 Number	1985 Number
£30,001 — £35,000	—	3
£35,001 — £40,000	3	—
£40,001 — £45,000	—	1
£45,001 — £50,000	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:

	1986 Number	1985 Number
Works personnel	351	295
Administrative staff	21	20
	372	315

The aggregate payroll costs of these persons were as follows:

	1986 £	1985 £
Wages and salaries	2,718,474	2,180,704
Social security costs	291,958	217,751
Other pension costs	27,646	26,026
	3,038,078	2,424,481

## **7. Taxation on profit on ordinary activities**

Taxation based on the profit for the year of the group:	1986 £	1985 £
UK corporation tax at 29.9% to 39.6% (1985: 30% to 44.4%)	246,300	33,719
Deferred taxation at 35% (1985: 35% to 40%)	(24,897)	25,418
Overseas taxation	(7,161)	12,493
	214,242	71,630
Over provision in previous years	(6,194)	(5,014)
	208,048	66,616

# **NOTES TO THE ACCOUNTS (continued)**

## **8. Extraordinary Item**

	1986 £	1985 £
Extraordinary income:		
Insurance proceeds (less taxation £4,500)	—	10,500

## **9. Profit for the financial year**

The consolidated profit for the financial year includes a profit of £61,105 (1985: profit of £46,684) which has been dealt with in the accounts of the parent company.

## **10. Proposed dividend**

The dividend of £57,600 (1985: £43,200) represents 0.8p per share (1985: 0.6p per share).

## **11. Earnings per ordinary share**

The earnings per ordinary share has been calculated on profit after taxation on ordinary activities of £352,384 (1985: £57,872) and by reference to the 7,200,000 ordinary shares in issue throughout the year.

## **12. Prior year adjustment**

The policy followed in accounting for the excess cost of shares in subsidiary companies over the book value of the net tangible assets acquired, which in prior years was capitalised and carried forward in the balance sheet of the group as an intangible asset, was changed during the year ended 30th April 1986 in order to comply with Statement of Standard Accounting Practice No. 22. Such excess cost is now written off in the year in which it is incurred. The excess cost carried forward at 30th April 1985 amounted to £151,750. The financial position of the group as at 30th April 1985 has been restated accordingly.

## **13. Tangible fixed assets of the group**

	Land and buildings Freehold £	Land and buildings Short leasehold £	Mineral reserves Freehold £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost</b>						
At 1st May, 1985	805,603	35,371	52,409	2,120,619	400,659	3,414,661
Additions	9,125	—	—	282,604	30,273	322,002
Disposals	(1,250)	—	—	(73,555)	(651)	(75,456)
Exchange movement	—	—	—	—	1,305	1,305
At 30th April, 1986	813,478	35,371	52,409	2,329,668	431,586	3,662,512
Depreciable assets	592,689	35,371	52,409	2,329,668	431,586	3,441,923
<b>Depreciation and amortisation</b>						
At 1st May, 1985	144,425	5,144	19,799	1,293,133	189,524	1,652,025
Charged in year	17,906	643	—	197,000	36,769	252,318
Disposals	—	—	—	(50,752)	(651)	(51,403)
Exchange movement	—	—	—	—	1,065	1,065
At 30th April, 1986	162,331	5,787	19,799	1,439,381	226,707	1,854,005
<b>Net book value</b>						
At 30th April, 1986	651,147	29,584	32,610	890,287	204,879	1,808,507
At 30th April, 1985	661,178	30,227	32,610	827,486	211,135	1,762,636

**NOTES TO THE ACCOUNTS (continued)**

**14. Tangible fixed assets of the company**

	Land and buildings Freehold	Land and buildings Short leasehold	Plant and machinery	Fixtures, fittings, tools and equipment	Total
<b>Cost</b>	£	£	£	£	£
At 1st May, 1985 ...	633,164	35,371	86,810	331,676	1,087,021
Additions ...	—	—	23,767	10,749	34,516
Disposals ...	—	—	(17,400)	—	(17,400)
At 30th April, 1986 ...	633,164	35,371	93,177	342,425	1,104,137
Depreciable assets ...	453,241	35,371	93,177	342,425	924,214
<b>Depreciation and amortisation</b>					
At 1st May, 1985 ...	100,440	5,144	58,723	164,533	328,849
Charged in year ...	11,331	643	11,129	26,684	49,787
Disposals ...	—	—	(10,060)	—	(10,060)
At 30th April, 1986 ...	111,780	5,787	59,792	191,217	368,576
<b>Net book value</b>					
At 30th April, 1986 ...	521,384	29,584	33,385	151,208	735,561
At 30th April, 1985 ...	532,715	30,227	28,087	167,143	758,172

**15. Investments of the group (held as fixed assets)**

	Shares in related company	Share of post acquisition reserves of related company	Total
<b>Cost</b>	£	£	£
At 1st May, 1985 ...	57	11,043	11,100
Less: Amount written off ...	(57)	(11,043)	(11,100)
At 30th April, 1986 ...	—	—	—

Goodwin GmbH owns 49% of the issued ordinary share capital of Carbondale Company Limited, a company incorporated in Hong Kong. During the year ended 30th April 1986, the company ceased operating and is in the process of being wound up. Full provision has been made against the investment.

**16. Investments of the company (held as fixed assets)**

	Shares in group companies
<b>Cost</b>	£
At 1st May, 1985 and 30th April, 1986 ...	1,020,343

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

Subsidiary companies	Country of incorporation and operation	Type of shares
R. Goodwin International Limited ...	England	Ordinary and preference
Goodwin Sreal Castings Limited ...	England	Ordinary
Hoben Davis Limited ...	England	Ordinary and preference
Hoben Quarries Limited ...	England	Ordinary
Goodwin Minerals Limited ...	England	Ordinary
Goodwin GmbH ...	West Germany	Ordinary
Goodwin STK Metal and Minerals Limited...	Hong Kong	Ordinary

**17. Stocks and work-in-progress**

	1986	1985
	£	£
Raw materials and consumables ...	866,581	1,022,706
Work-in-progress ...	304,840	519,165
Less: Payments on account ...	(3,776)	(64,409)
Finished goods and goods for resale ...	301,064	454,756
	311,614	274,010
	1,479,259	1,751,472

**18. Debtors**

	Group	Company
	1986	1985
	£	£
Trade debtors...	2,266,390	1,915,174
Amounts owed by group companies ...	—	1,294,449
Amounts owed by related company ...	—	17,331
Other debtors...	22,507	27,915
Prepayments and accrued income ...	37,350	58,420
	5,428	16,766
	2,326,247	2,018,840
	1,316,643	1,138,833

# **NOTES TO THE ACCOUNTS (continued)**

## **19. Creditors: Amounts falling due within one year**

	Group		Company	
	1986	1985	1986	1985
	£	£	£	£
Bank loans and overdrafts	788,354	1,323,513	470,231	744,776
Trade creditors	1,203,174	1,271,026	9,382	47,134
Payments received on account	628	55,427	—	—
Amounts owed to group companies	—	—	565,566	331,808
Other creditors including taxation and social security:				
Corporation tax	8,000	2,161	—	—
Other taxes	165,664	138,847	55,391	41,781
Social security	42,247	48,263	7,931	6,350
Other creditors	—	3,020	—	—
	215,911	192,291	63,322	48,131
Accruals and deferred income	137,245	152,408	31,958	36,740
Proposed dividend	57,600	43,200	57,600	43,200
	<u>2,403,392</u>	<u>3,037,865</u>	<u>1,198,059</u>	<u>1,251,789</u>

## **20. Creditors: Amounts falling due after more than one year**

	Group		Company	
	1986	1985	1986	1985
	£	£	£	£
Corporation tax payable 1st January, 1988	207,886	10,540	13,848	—

## **21. Provisions for liabilities and charges**

	Group		Company	
	1986	1985	1986	1985
	£	£	£	£
Balance at 1st May, 1985	—	—	380,678	123,440
Advance corporation tax utilised during the year	—	—	34,019	3,052
Advance corporation tax transferred to subsidiary companies	—	—	—	30,967
Advance corporation tax on proposed dividend	—	—	(23,527)	(23,527)
Credit for the year in the profit and loss account:				
Taxation on profit for the year	—	—	(24,897)	(6,159)
	—	—	366,273	127,773
Balance at 30th April, 1986	—	—	—	—

The amount provided for deferred taxation, which is the full potential liability calculated on the liability method at 35% (1985: rates between 35% and 40%), is set out below:

	Group		Company	
	1986	1985	1986	1985
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances	383,800	405,391	145,300	148,153
Advance corporation tax recoverable	(23,527)	(34,019)	(23,527)	(34,019)
Other timing differences	6,000	9,306	6,000	9,306
	<u>366,273</u>	<u>380,678</u>	<u>127,773</u>	<u>123,440</u>

## **22. Called up share capital**

	1986	1985
	£	£
Authorised, allotted, called up and fully paid: 7,200,000 ordinary shares of 10p each	720,000	720,000

## **23. Profit and loss account of the parent company**

	£
At 1st May, 1985	1,010,961
Retained profit for the year	3,505
	<u>1,014,466</u>
At 30th April, 1986	—

# **NOTES TO THE ACCOUNTS (continued)**

## **24. Commitments**

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

	Group		Company	
	1986 £	1985 £	1986 £	1985 £
Contracted ... ..	53,000	102,000	6,000	12,000
Authorised but not contracted ... ..	195,000	197,000	40,000	7,000
	<u>248,000</u>	<u>299,000</u>	<u>46,000</u>	<u>19,000</u>

## **25. Contingencies**

The parent company is jointly and severally liable for value added tax due by members of the group amounting to £73,919 (1985: £57,217).

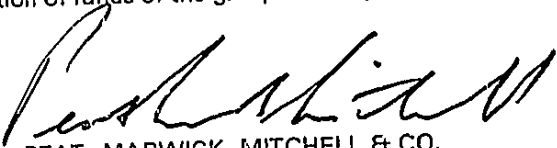
## REPORT OF THE AUDITORS

to the members of

**GOODWIN PLC**

We have audited the accounts on pages 5 to 14 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 9, give a true and fair view of the state of the affairs of the company and of the group at 30th April, 1986 and of the profit and source and application of funds of the group for the year to that date and comply with the Companies Act 1985.



PEAT, MARWICK, MITCHELL & CO.

*Chartered Accountants*

Birmingham

9th October, 1986