

GOODWIN PLC

Registered in England, Number 305807
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-SEVENTH ANNUAL GENERAL MEETING of the company will be held at 10.00 am, on Monday, 23rd November, 1992 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, 1992 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 fix their remuneration.

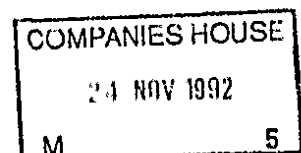
By Order of the Board,
P. HIGGS,
Secretary.

Registered Office:
Ivy House Foundry,
Hanley, Stoke-on-Trent.
23rd October, 1992

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, 1992.

Sadly, John Goodwin, Chairman and Managing Director for twenty three years, died in March. He provided foresight and stability to the Company and will be a great loss. It is a tribute to him that, faced with catastrophic decline in our traditional coal and steel markets, new products and outlets have been developed to secure the Company's future.

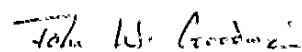
The year's trading resulted in a reduced profit before taxation of £402,000 on marginally increased sales of £14,205,000. All markets were adversely affected by recession and production costs were increased by higher interest rates. Continued investment improved our market share and enabled volumes to be maintained with sales outside the U.K. increasing by ten per cent. The Board recommends a dividend of 0.655p per share.

Your Board has been re-structured. Mr. Richard Goodwin has been appointed Managing Director and, together with Mr. Harold Horton, is responsible for running the Group's subsidiaries. Messrs. R. J. Dyer, P. J. Horton and P. F. Tindall have been appointed Associate Directors. After twenty years of loyal service, Mr. S. G. Peach retired and has been replaced by Mrs. P. Higgs as Company Secretary.

The Board's policy, supported by the Goodwin family majority shareholders, is to focus on efficiently manufacturing and trading products with technical merit in growth markets. This will necessitate continued internally funded investment to further develop export sales. The Company's principal asset remains the skill and knowledge of its employees and their motivation to out-perform the competition is a prime goal.

Every effort is being made to improve performance through all our divisions, but this will depend upon the economic climate within which profits are currently harder to maintain. In the long term prospects should be more favourable as customers see the hard won effects of our more efficient manufacture.

My thanks go to all employees whose team work and dedication have seen us through a difficult year.



J. W. GOODWIN,
Chairman.

9th October, 1992

GOODWIN PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 30th April, 1992

Business review

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

	1992	1991
	£'000	£'000
Turnover	14,205	10,182
Profit on ordinary activities before taxation	402	451
Taxation charge	(145)	(112)
Profit on ordinary activities after taxation	257	339

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 (1991: 0.63p per share) be paid to shareholders on the register at the close of business on 29th October, 1992. It is proposed that the retained profit of £210,000 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 present directors of the company are set out below.

The untimely death of J. Goodwin occurred on 30th March 1992.

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	10p ordinary shares
	30.4.92	30.4.91
<i>Beneficial</i>		
J. Goodwin (deceased)	7,060	37,958
J. W. Goodwin	783,791	768,142
R. S. Goodwin	324,365	308,916
H. J. Horton	143,800	173,800
J. W. Goodwin and R. S. Goodwin	1,043,069	—
<i>Non-beneficial</i>		
J. Goodwin (deceased) and J. W. Goodwin	490,700	490,700
J. W. Goodwin and others	995,596	995,596
J. W. Goodwin and R. S. Goodwin	—	1,043,069

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, 1992 to 9th October, 1992 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 £1,531 (1991: £1,790).

The group also donated £250 (1991: Nil) to the local Conservative Association.

Income and Corporation Taxes Act 1968

The close company provisions of the Act do not apply to the company

Shareholdings

Reference is made to the directors' interests disclosed above. The company has also been notified that as at 9th October 1992, the following held 3% or more of the issued share capital of the company: M Securities Limited 1,043,069 shares (14.49%), Phildrew Nominees Limited 356,400 shares (4.95%), J. S. Tainton 305,000 shares (4.24%), H. M. Baggle 303,716 shares (4.22%), H. J. J. Swinburne 298,000 shares (4.14%) and H. F. Baggle 295,000 shares (4.10%).

Liability Insurance

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

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 9th October 1992 and signed on its behalf by:

J. W. GOODWIN
Chairman

John W. Goodwin

GOODWIN PLC

and Subsidiary Undertakings

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 30th APRIL, 1992

												1992	1991
												£'000	£'000
TURNOVER											2	14,205	12,957
Cost of sales												(11,470)	10,161
GROSS PROFIT												2,735	2,796
Distribution costs												(453)	(461)
Administrative expenses												(1,774)	(1,651)
Interest payable and similar items											3	(106)	(481)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION											4	402	451
Taxation on profit on ordinary activities											7	(145)	(172)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION											8	257	334
Proposed dividend											9	(47)	(45)
RETAINED PROFIT FOR THE FINANCIAL YEAR												210	289
Earnings per ordinary share											10	3.6p	4.6p

STATEMENT OF RESERVES

												1992	1991
												£'000	£'000
At 1st May, 1991												2,729	2,440
Retained profit for the financial year												210	289
Exchange loss on re-translation of overseas subsidiaries' net assets												(1)	
At 30th April, 1992												2,938	2,729

GOODWIN PLC
and Subsidiary Undertakings

GROUP BALANCE SHEET
At 30th APRIL, 1992

										1992	1991
									Notes	£'000	£'000
FIXED ASSETS											
Tangible assets	...	...	...	...	...	...	...	...	11	2,384	2,384
CURRENT ASSETS											
Stocks	...	...	...	...	...	...	...	...	14	2,186	2,356
Debtors	...	...	...	...	...	...	...	...	15	2,942	2,638
Cash at bank and in hand	...	...	...	...	...	...	...	...		206	66
										5,334	5,060
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR									16	(3,790)	(3,618)
NET CURRENT ASSETS	...	...	...	...	...	...	...	...		1,544	1,442
TOTAL ASSETS LESS CURRENT LIABILITIES	...	...	...	...	...	...	...	...		3,328	3,104
PROVISIONS FOR LIABILITIES AND CHARGES	...	...	...	...	...	...	...	...	18	(270)	(260)
NET ASSETS	...	...	...	...	...	...	...	...		3,058	2,844
CAPITAL AND RESERVES											
Called up share capital	...	...	...	...	...	...	...	...	19	720	720
Profit and loss account	...	...	...	...	...	...	...	...	20	2,938	2,729
										3,658	3,449

These accounts were approved by the board of directors on 9th October, 1992 and signed on its behalf by:

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

J. W. Goodwin
R. S. Goodwin

GOODWIN PLC

BALANCE SHEET

At 30th APRIL, 1992

	Notes	1992 £'000	1991 £'000	£'000	+ (46)
FIXED ASSETS					
Tangible assets	12	826		885	
Investments	13	1,028		1,028	
			1,854		1,917
CURRENT ASSETS					
Debtors	15	1,026		1,507	
Cash at bank and in hand		71		1	
		1,097		1,508	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(701)		(1,175)	
NET CURRENT ASSETS			396		333
TOTAL ASSETS LESS CURRENT LIABILITIES			2,250		2,250
PROVISIONS FOR LIABILITIES AND CHARGES	18		(85)		(97)
NET ASSETS			2,165		2,153
CAPITAL AND RESERVES					
Called up share capital	19		720		720
Profit and loss account	20		1,445		1,433
			2,165		2,153

These accounts were approved by the board of directors on 9th October, 1992 and signed on its behalf by:

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

John W Goodwin
R S Goodwin

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 and in accordance with applicable Accounting Standards.

(b) Consolidation principles

- (i) The group accounts 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 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	...	...	...	...	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 accounts 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 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) 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.

(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.

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:

	1992 £'000	1991 £'000
United Kingdom	10,333	10,663
Rest of Europe	1,930	1,934
Other	1,942	1,588
	<u>14,205</u>	<u>14,185</u>

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

3. Interest payable and similar items

	1992 £'000	1991 £'000
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	111	65
Less: Interest receivable on bank deposits	(3)	(11)
	<u>108</u>	<u>54</u>
Less: Other operating income	(2)	(6)
	<u>106</u>	<u>48</u>

4. Profit on ordinary activities before taxation

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

	1992 £'000	1991 £'000
Depreciation and amortisation of tangible fixed assets	335	277
Profit on disposal of tangible fixed assets	(5)	(10)
Directors' emoluments (see note 5):		
Emoluments as executives	324	300
Pension to former executive director	3	3
Operating leases: Plant and machinery	2	14
Hire of plant and machinery	51	79
Auditors' remuneration and expenses	35	34
Grants received	(10)	—

5. Emoluments of directors

Directors' remuneration excluding pension contributions includes:

Chairmen during periods of office:

	1992 £'000	1991 £'000
J. Goodwin (highest paid director)	105	99
J. W. Goodwin	6	—

The emoluments of the directors were within the following ranges:

	1992 Number	1991 Number
£55,001 — £60,000	1	1
£60,001 — £65,000	—	2
£70,001 — £75,000	2	—
£95,001 — £100,000	—	1
£100,001 — £105,000	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:

	1992 Number	1991 Number
Works personnel	363	381
Administrative staff	30	30
	<u>393</u>	<u>411</u>

The aggregate payroll costs of these persons were as follows:

	1992 £'000	1991 £'000
Wages and salaries	4,577	4,606
Social security costs	452	454
Other pension costs	29	32
	<u>5,058</u>	<u>5,092</u>

NOTES TO THE ACCOUNTS (continued)

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% (1991: 25% to 33.92%)
Deferred taxation
Overseas taxation

Over provision in previous years ...
Release due to change in rate of provision for deferred taxation to 33% ...

1992 £'000	1991 £'000
133	132
11	15
2	
146	147
(1)	(14)
	(16)
145	11

8. Profit for the financial year

The consolidated profit for the financial year includes a profit of £59,000 (1991: £110,000) which has been dealt with in the accounts of the parent company.

9. Proposed dividend

The proposed dividend of £47,160 (1991: £45,360) represents 0.655p per share (1991: 0.63p per share).

10. Earnings per ordinary share

The earnings per ordinary share has been calculated on profit after taxation on ordinary activities of £257,000 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, 1991 ...	853	35	33	3,152	808	4,879
Additions ...	—	—	—	441	25	466
Disposals ...	853	35	33	(50)	(1)	(51)
At 30th April, 1992	788	35	33	3,543	830	5,294
Depreciable assets						
At 1st May, 1991 ...	251	9	—	1,831	521	2,612
Charged in year ...	22	1	—	255	57	335
Disposals ...	273	10	—	(35)	(2)	(37)
At 30th April, 1992	273	10	—	2,051	576	2,910
Net book value						
At 30th April, 1991	602	26	33	1,321	285	2,267
At 30th April, 1992	580	25	33	1,492	254	2,384

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, 1991 ...	633	35	251	610	1,529
Additions ...	—	—	11	26	37
Disposals ...	633	35	(12)	—	(12)
Transfers in ...	—	—	9	—	9
At 30th April, 1992	590	35	259	636	1,563
Depreciable assets					
At 1st May, 1991 ...	168	9	51	412	640
Charged in year ...	14	1	37	46	98
Disposals ...	—	—	(5)	—	(5)
Transfers in ...	182	10	4	—	4
At 30th April, 1992	182	10	87	458	737
Net book value					
At 30th April, 1991	465	26	200	198	889
At 30th April, 1992	451	25	172	178	826

NOTES TO THE ACCOUNTS (continued)

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

Cost	Shares in subsidiary undertakings £'000
At 1st May, 1991 and 30th April, 1992	1,028

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

<i>Subsidiary undertakings</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	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.

14. Stock and work in progress of the group

	1992		1991	
	£'000	£'000	£'000	£'000
Raw materials and consumables		963		918
Work in progress	760		1,012	
Less: payments on account	(83)		(43)	
	<u> </u>		<u> </u>	
		677		969
Finished goods and goods for resale		546		469
		<u>2,186</u>		<u>2,356</u>

15. Debtors

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Trade debtors	2,844	2,535	—	—
Amounts owed by group undertakings	—	—	982	1,463
Other debtors	37	54	18	17
Prepayments and accrued income	61	49	26	27
	<u>2,942</u>	<u>2,638</u>	<u>1,026</u>	<u>1,507</u>

Included in prepayments and accrued income of the group are pension contributions paid in the year of £5,000 (1991: £4,000).

16. Creditors: Amounts falling due within one year

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Bank loans and overdrafts	995	903	4	310
Payments received on account	145	127	—	45
Trade creditors	2,043	2,081	28	45
Amounts owed to group undertakings	—	—	553	723
Other creditors including taxation and social security:				
Corporation tax	128	127	12	12
Other taxes	206	78	11	15
Social security	74	61	9	6
Other creditors (note 17)	—	11	—	1
	<u>408</u>	<u>277</u>	<u>32</u>	<u>34</u>
Accruals and deferred income	152	185	37	18
Proposed dividend	47	45	47	45
	<u>3,790</u>	<u>3,618</u>	<u>701</u>	<u>1,175</u>

17. Obligations under extended credit contracts

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Amounts payable within one year	—	11	—	1

NOTES TO THE ACCOUNTS (continued)

18. Provisions for liabilities and charges

	Deferred taxation	
	Group	Company
	£'000	£'000
Balance at 1st May, 1991 ...	260	97
Advance corporation tax utilised during the year ...	15	15
Advance corporation tax on proposed dividend ...	(16)	(16)
Charge/(credit) for the year in the profit and loss account ...	11	(11)
Balance at 30th April, 1992 ...	<u>270</u>	<u>85</u>

The amount provided for deferred taxation, which is the full potential liability calculated on the liability method at 33% (1991: 33%), is set out below:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Difference between accumulated depreciation and amortisation and capital allowances ...	286	278	101	112
Other timing differences ...	(16)	(3)	(16)	(15)
Advance corporation tax recoverable ...	<u>(16)</u>	<u>(15)</u>	<u>(16)</u>	<u>(15)</u>
	<u>270</u>	<u>260</u>	<u>85</u>	<u>97</u>

19. Called up share capital

Authorised, allotted, called up and fully paid: 7,200,000 ordinary shares of 10p each ...	1992 £'000	1991 £'000
	<u>720</u>	<u>720</u>

20. 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 1st May, 1991 ...	1,433
Retained profit for the year ...	<u>12</u>
At 30th April, 1992 ...	<u>1,445</u>

21. Reconciliation of profit on ordinary activities before taxation to net cash inflow from operating activities

	1992 £'000	1991 £'000
Profit on ordinary activities before taxation ...	402	451
Net interest paid ...	108	54
Depreciation charge ...	335	277
Profit on sale of fixed assets ...	(5)	(10)
(Increase)/decrease in debtors ...	(312)	1,111
Increase in creditors ...	50	16
Decrease/(increase) in stocks ...	<u>170</u>	<u>(416)</u>
Net cash inflow from operating activities ...	<u>748</u>	<u>1,483</u>

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

	1992 £'000	1991 £'000
At beginning of year:		
Cash at bank and in hand ...	66	145
Bank overdrafts ...	<u>(903)</u>	<u>(1,498)</u>
	<u>(837)</u>	<u>(1,353)</u>
Net cash inflow ...	<u>48</u>	<u>516</u>
At end of year ...	<u>(789)</u>	<u>(837)</u>
Represented by:		
Cash at bank and in hand ...	206	66
Bank overdrafts ...	<u>(995)</u>	<u>(903)</u>
	<u>(789)</u>	<u>(837)</u>

NOTES TO THE ACCOUNTS (continued)

23. Analysis of changes in financing during the year

										Extended credit contracts	
										1992	1991
										£'000	£'000
A* beginning of year	...	...	...	...	...	...	...	...	...	11	41
Cash outflows from financing	...	...	...	...	...	...	...	...	...	(11)	(30)
At end of year	...	...	...	...	...	...	...	...	...	—	11

24. Contingencies

On 30th April 1992, the parent company was jointly and severally liable for value added tax due by members of the group amounting to £137,000 (1991: £6,000) and had entered into performance bonds in the normal course of business on behalf of subsidiary undertakings amounting to £412,000 (1991: £592,000) in respect of 24 export contracts.

25. Commitments

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

							Group		Company	
							1992	1991	1992	1991
							£'000	£'000	£'000	£'000
Contracted	...	...	...	...	...	...	68	—	—	—
Authorised but not contracted	...	...	...	...	...	...	17	40	—	—
							85	40	—	—


REPORT OF THE AUDITORS

to the Members of

GOODWIN PLC

We have audited the accounts on pages 5 to 14 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 the group at 30th April, 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG PEAT MARWICK

Chartered Accountants

Registered Auditors

Birmingham

9th October, 1992