GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT

DIRECTORS REPORT AND ACCOUNTS

30th APRIL 2014

INDEX

1 Notice of AGM
2 Notes to Notice of AGM

STRATEGIC REPORT
3 Chairman's Statement
5 Objectives, Strategy and Business Model
6 Principal Risks and Uncertainties
7 Corporate Social Responsibility

DIRECTORS' REPORTS
9 Report of the Directors
11 Corporate Governance Report
13 Audit Committee Report
15 Directors' Remuneration Policy and Report
20 Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

AUDITOR'S REPORT
21 Independent auditor's report to the members of Goodwin PLC

FINANCIAL STATEMENTS
23 Consolidated income statement
24 Consolidated statement of comprehensive income
25 Consolidated statement of changes in equity
26 Consolidated balance sheet
27 Consolidated cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
28 Notes to the consolidated financial statements
52 Company balance sheet
53 Notes to the Company financial statements

57 *FIVE YEAR FINANCIAL SUMMARY*

GOODWIN PLC

www.goodwin.co.uk

Registered in England and Wales, Number 305907
Established 1883

Directors:
J. W. Goodwin *(Chairman)*
R. S. Goodwin *(Managing Director)*
J. Connolly
M. S. Goodwin
A. J. Baylay
S. R. Goodwin
S. C. Birks
B. R. E. Goodwin

Secretary and registered office:
Mrs. P. Ashley, B.A., A.C.I.S.
Ivy House Foundry, Hanley,
Stoke-on-Trent, ST1 3NR

Registrar and share transfer office:
Computershare Investor Services PLC,
P.O. Box No. 82,
Bristol, BS99 7NH

Auditors:
KPMG LLP,
One Snowhill, Snowhill Queensway, Birmingham, B4 6GH

NOTICE IS HEREBY GIVEN that the SEVENTY NINTH ANNUAL GENERAL MEETING of the company will be held at 10.30 am on Wednesday, 8th October, 2014 at Crewe Hall, Weston Road, Crewe, Cheshire CW1 6UZ, for the purpose of considering and, if thought fit, passing the following resolutions which are proposed as ordinary resolutions.

1. To receive the Directors' Reports and the audited financial statements for the year ended 30th April, 2014.
2. To approve the payment of the proposed ordinary dividend on the ordinary shares.
3. To re-elect Mr. A. J. Baylay as a Director.
4. To re-elect Mr. S. R. Goodwin as a Director.
5. To approve the Company's Remuneration Policy as stated on pages 15 to 16 of the Directors' Reports.
6. To approve the Directors' Remuneration Report for the year ended 30th April, 2014 as stated on pages 17 to 19 of the Directors' Reports.
7. To re-appoint KPMG LLP as auditor and to authorise the Directors to determine their remuneration.

By Order of the Board

P. ASHLEY
Secretary

Registered Office:
Ivy House Foundry,
Hanley, Stoke-on-Trent.
25th July, 2014

NOTES TO NOTICE OF ANNUAL GENERAL MEETING:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post, by scanned copy sent to proxies@goodwingroup.com or (during normal business hours only) by hand at Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR no later than 10.30am on 6th October, 2014.
3. The return of a completed proxy form or other such instrument will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 10.30am on 6th October, 2014 (or, in the event of any adjournment, 10.30am on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 24th July, 2014 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 7,200,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 24th July, 2014 are 7,200,000.
8. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
10. None of the Directors have service contracts with the Company.
11. If approved by shareholders the ordinary dividends will be paid to shareholders on 10th October, 2014.

GOODWIN PLC

CHAIRMAN'S STATEMENT

I am pleased to report that the pre-tax profit for the Group for the twelve month period ended 30th April, 2014 was £24.1 million *(2013: £20.3 million)*, an increase of 18.7% on a revenue of £130.8 million *(2013: £127.0 million)*. The Directors propose an ordinary dividend of 42.348p per share *(2013: ordinary dividend of 35.290p, extraordinary dividend of 17.645p).*

The gross profit earned of £44.8 million was higher by 10.5% than for the previous financial year. This further improvement in gross profit and pre-tax profit earned stems from the energy market sector having remained buoyant throughout the financial year, allowing us to make use of our investment on capital equipment working 24 hours a day, 6.5 days a week, especially at Goodwin International and Goodwin Steel Castings.

The tax charge has been substantially lower this year for three main reasons: the Group has benefited from firstly the recently enacted patent box relief, secondly the lower effective corporation tax rate within the UK, and thirdly the revision of prior year estimates.

The Group continues to focus on mechanical engineering and refractory engineering as described below and in our business model and strategy on page 5. Our activities, products and KPI's are detailed on our website www.goodwin.co.uk/2014.

Other than our traditional business in the oil and gas and power generation industries, our Mechanical Engineering Division continues to target engineering work for large construction projects which we believe will continue to add to our market sector diversity. The Group order work load as at 30th April, 2014 was 10% higher than 12 months earlier and stood at £101 million, which should provide the Group with an opportunity of further improvement in this new financial year. However, since the commencement of the new financial year there has been a noticeable slow down in order input from the oil and gas industries which is in line with the statements in the press by a number of chairmen of major oil companies, who have indicated that they are slowing down their capital investment programmes. Whether we are able to further increase our global market penetration and find additional customers to overcome this only time will tell, but any impact is more likely to affect the financial year 2015/2016.

Whilst the energy mix is changing over the long term, it is considered that fossil fuels will likely remain the dominant energy resource in the future and hold 80% of the energy mix by 2035. Crude oil, natural gas (including shale gas) and coal we think will be evenly split in the energy market and it is unlikely by then that there will be any dominant energy form. These sectors by definition have a long term future as the world population continues to grow and attain higher living standards, especially in the Pacific Basin. Over the past 50 years the world population has more than doubled from 3.2 billion to 7.3 billion people and in that same time the average energy consumption per person has also gone up by 50%. As the developing world continues to evolve, this average increase in energy consumption per person on the planet is unlikely to subside, so long term there will remain a significant demand for industrial products for the fossil fuel industries.

In my statement last year, I noted that the Group's Refractory Division had suffered a downturn. I am pleased to report that this year the Refractory Division, despite the continuing difficult market conditions, has delivered a 6.9% increase in sales and a 19.3% increase in pre-tax profits over the previous financial year. We are hopeful given the hard work by all involved that this trend will continue in this new financial year.

As detailed in note 8 to the financial statements, the dividend this year is proposed to be £3,049,056, an increase of 20% on last year's ordinary dividend, similar to the increase in profit for the year. Despite having £15.5 million of capital expenditure this last year we will likely need to further invest over the next two years if we are to maintain our position as the leading global supplier of super nickel cast alloys.

Shareholders' equity has risen by £15.2 million from £58.4 million at 30th April, 2013 to £73.6 million at 30th April, 2014, and Total Shareholder Return has again substantially increased this year by more than 100% but very much more over a 5, 10 or 20 year period (see page 16 for full details).

CHAIRMAN'S STATEMENT *(continued)*

The Group has invested heavily during the year on land and buildings and on plant and machinery. This expenditure will generate some of the additional capacity needed for the future growth of the Group. It is pleasing that the cash flow situation, that was unsatisfactory last year, has significantly improved through the hard work of many Group personnel, despite the very substantial capital investments this year. However, we must remain vigilant as a further £12.7 million of additional capital expenditure has already been authorised for the new financial year. Of this, £4.0 million was already committed as at the balance sheet date with an additional £8.7 million being sanctioned subsequent to the year end. As mentioned above we will likely need to further invest in our super nickel alloy casting manufacturing capability as well as in certain other specific projects if we are to sustain future growth in exports. The expected growth will also result in increased working capital needs. Financial incentives from the Government will enable the release of necessary capital expenditure which otherwise may be constrained by our cash management.

Research and Development costs of £2.0 million during the year were mainly on the ongoing projects associated with higher efficiency electricity generation allied to CO_2 capture. In the previous year, R&D spend was £2.6 million.

As part of our risk analysis, external independent reviews have been carried out on the Group's financial arrangements, insurance policy wordings, insured values, cyber security, intellectual property rights, health of key staff and operatives, energy efficiency and business continuity. The assessments, which are being undertaken by specialist firms with extensive global experience, remain work in progress, but to date no significant issues have come to light. The reviews have contributed to the Group's awareness of business risks and training needs as our stream of apprentices progress in the Group.

We are once again extremely grateful to our UK and overseas directors and employees for their hard work in driving forward the performance of the Group.

J. W. Goodwin
Chairman

25th July, 2014

OBJECTIVES, STRATEGY AND BUSINESS MODEL

The Group's main **OBJECTIVE** is to have a sustainable long term engineering based business with good potential for profitable growth while providing a fair return to our shareholders.

The Board's **STRATEGY** to achieve this is:

- to supply a range of technically advanced products to growth markets in the mechanical engineering and refractory engineering segments in which we have built up a global reputation for engineering excellence, quality, efficiency, reliability, price and delivery;
- to manufacture advanced technical products profitably, efficiently, and economically;
- to maintain an ongoing programme of investment in plant, facilities, sales and marketing, research and development with a view to increasing efficiency, reducing costs, increasing performance, delivering better products for our customers, expanding our global customer base and keeping us at the forefront of technology within our markets;
- to control our working capital and investment programme to ensure a safe level of gearing;
- to maintain a strong capital base to retain investor, customer, creditor and market confidence and so help sustain future development of the business;
- to support a local presence and a local workforce in order to stay close to our customers;
- to invest in training and development of skills for the Group's future.

BUSINESS MODEL

The Group's focus is on manufacturing within two sectors; mechanical engineering and refractory engineering and through this division of our manufacturing activities, the Group benefits from market diversity. Further details of our business and products are shown on our website www.goodwin.co.uk/2014

Mechanical Engineering

The Group produces a wide range of dual plate and axial nozzle check valves to serve the oil, petrochemical, gas, LNG and water treatment markets. We create value by globally sourcing the best quality raw material at good prices, manufacturing in highly efficient facilities using up to date technology to provide the very reliable products to the required specification, at competitive prices and with timely deliveries.

Our mechanical engineering markets also include high alloy castings, machining and general engineering products which typically form part of large construction projects such as power generation plants, oil refineries, high integrity offshore structural components and bridges. The Group through its foundry and CNC machine shop has the capability to pour the castings, radiograph and also finish them in-house. This capability is also targeting the defence industry.

Goodwin International, the largest company in the Mechanical Engineering Division, designs and manufactures dual plate and axial nozzle valves and also undertakes specialised CNC machining and fabrication work. Noreva GmbH also designs and manufactures axial nozzle valves. Both Goodwin International and Noreva purchase the majority of their sand mould castings from Goodwin Steel Castings and this vertical integration gives rise to competitive benefits, increased efficiencies, and timely deliveries.

At Goodwin Pumps India we manufacture a superior range of submersible slurry pumps for end users in India, China, Brazil and Africa. Easat Antennas designs and builds bespoke high-performance radar antennas to the global market of major defence contractors, civil aviation authorities and border security agencies. We create value on these by innovative design and assembly in our own facilities using bought in or engineered in-house components.

Refractory Engineering

Within the Refractory Engineering Division, Goodwin Refractory Services, GRS (UK), creates value by developing, manufacturing and selling investment casting powders, waxes, silicone rubber and machinery for use in the following operations: jewellery casting, aerospace, tyre moulding, and the compressor wheels for turbochargers. The Division has six other investment casting powder companies around the world that carry out the same activities as GRS (UK), located in China, India, Thailand and Brazil. These seven companies are vertically integrated with another of our UK refractory companies, Hoben International, which manufactures cristobalite that it sells to the seven group jewellery casting manufacturing companies, as well as producing ground silica which also goes into casting powders.

The other UK refractory company is Dupré Minerals which focuses on producing exfoliated vermiculite that is used in insulation, brake linings and fire protection products including textiles that can withstand high temperatures. Dupré also sells consumables to the shell moulding casting industry.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations expose it to a variety of risks and uncertainties, the principal ones being as follows. These risks are no different to previous years, and they are not expected to change substantially in the foreseeable future.

Market risk: The Group provides a range of products and services, and there is a risk that the demand for these products and services will vary from time to time because of competitor action or economic cycles or international trade friction or even wars. As shown in note 2 to the financial statements, the Group operates across a range of geographical regions, and its turnover is split across the UK, Europe, USA, the Pacific Basin and the rest of the world. This spread reduces risk in any one territory. Similarly, the Group operates in both mechanical engineering and refractory engineering sectors, mitigating the risk of a downturn in any one product area. The potential risk of the loss of any key customer is limited as, typically, no single customer accounts for more than 10% of turnover. As described in the Business Model, the Group generates significant sales from the worldwide energy markets. Whilst these markets may suffer short term short declines, over the medium to long term the growing worldwide demand for energy will ensure these markets remain buoyant.

Technical risk: The Group develops and launches new products as part of its strategy to enhance the long term value of the Group. Such development projects carry business risks, including reputational risk, abortive expenditure and potential customer claims which may have a material impact on the Group. The potential risk here is seen as manageable given the Group is developing products in areas in which it is knowledgeable and new products are tested prior to their release into the market.

Product failure/Contractual risk: The risks that the Group supplies products that fail or are not manufactured to specification are risks that all manufacturing companies are exposed to but we try to minimise these risks through the use of highly skilled personnel operating within robust quality control system environments using third party accreditations where appropriate. With regard to the risk of failure in relation to new products coming on line, the additional risks here are minimised at the R&D stage, where prototype testing and the deployment of a robust closed loop product performance quality control system provides feed back to the design department for the products we manufacture and sell. The risk of not meeting safety expectations, or causing significant adverse impacts to customers or the environment is countered by the combination of the controls mentioned within this section. The risk of product obsolescence is countered by R&D investment.

Health and safety: The Group's operations involve the typical health and safety hazards inherent in manufacturing and business operations. The Group is subject to numerous laws and regulations relating to health and safety around the world. Hazards are managed by carrying out risk assessments and introducing appropriate controls, as well as attending safety training courses.

Acquisitions: The Group's growth plan over recent years has included a number of acquisitions. There is the risk that these, or future acquisitions, fail to provide the planned value. This risk is mitigated through financial and technical due diligence during the acquisition process and the Group's inherent knowledge of the markets they operate in.

Financial risk: The principal financial risks faced by the Group are changes in market prices (interest rates, foreign exchange rates and commodity prices). Detailed information on the financial risk management objectives and policies is set out in note 20 to the financial statements. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques, including credit insurance, stage payments, forward foreign exchange contracts and interest rate swaps.

Regulatory compliance: The Group's operations are subject to a wide range of laws and regulations. Both within Goodwin PLC and its subsidiaries, the Directors and Senior Managers within the companies make best endeavours to comply with the relevant laws and regulations.

CORPORATE SOCIAL RESPONSIBILITY

Greenhouse Gas ("GHG") emissions

Since 2011 we have been reporting on the increase/decrease in our CO_2 emissions. This is our first GHG emissions report in line with the new UK reporting requirements for this year.

It should be noted that with our super nickel alloy castings, we have been at the forefront of CO_2 reduction technology in future electricity generating plants to be built worldwide, some of which will have the planned highest efficiency in the world with 100% CO_2 capture. Compared to most other companies, we have invested significant R&D into CO_2 reduction with our specialist alloys that will be used in these more efficient power generating plants, and we have received a Government grant for this environmentally important project. So, while not attempting to quantify the effects, to put a true and balanced perspective on the Group's CO_2 impact on the environment, consideration should be given to the benefits of the very much reduced CO_2 emission levels of the modern turbines and power generation equipment into which some of our technically advanced manufactured products are to be incorporated, resulting in the annual savings in CO_2 vastly outweighing the environmental burden imposed at the manufacturing stage.

The Group is acutely aware of its CO_2 emissions which are kept as low as possible. Goodwin Steel Castings is a key emitter and has a Climate Change Agreement, the requirements of which it satisfies and under which it claims the allowable Climate Change Levy relief. The Group is looking at the possibility of installing a wind turbine at one of its manufacturing sites which, if implemented, will reduce emissions.

The reported CO_2 emissions are detailed below:

The sites reporting GHG data are the same as those consolidated in the Group's financial statements, and we have included all material qualifying emissions around the Group for the year to 30th April, 2014. Prior year data has not been captured as the regulatory requirements had not come into effect. We have used the reporting guidance set out by the DEFRA environmental reporting guidelines published in June 2013, and used the methodology set out in their July 2013 paper, to report our Scope 1 and Scope 2 emissions, using the latest DEFRA emission factors issued this year:

	2014 Tonnes of CO_2e
Scope 1 – direct emissions (from company facilities and vehicles)	**57,138**
Scope 2 – indirect emissions (from electricity purchased for own use)	**10,462**
Total Scope 1 and Scope 2 emissions	**67,600**
Intensity – emissions of total CO_2 equivalent reported above per £1million of Group revenue	**517**

Donations

The Company made no political donations during the year.

Donations by the Group for charitable purposes amounted to £114,368 *(2013 £88,250)*.

Employee consultation

The Group takes seriously its responsibilities to employees and, as a policy, provides employees systematically with information on matters of concern to them. It is also the policy of the Group to consult where appropriate, on an annual basis, with employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

Employment of disabled persons

The policy of the Group is to offer the same opportunity to disabled people, and those who become disabled, as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out the duties required of them.

Health and Safety

ISO 18001 accreditation is the global standard that we are working towards and our two largest engineering companies employing 640 people have attained accreditation.

Gender Diversity

The Group is committed to ensuring that everyone should have the same opportunities for employment and promotion based on ability, qualifications and suitability for the work in question. The following table sets out a breakdown of our average number of employees during 2014 by gender:

	Male	**%**	**Female**	**%**	**Total**
Main Board and Company Secretary	8	89%	1	11%	9
Senior Management	120	94%	7	6%	127
Employees	770	84%	148	16%	918
Total	**898**	**85%**	**156**	**15%**	**1,054**

FORWARD LOOKING STATEMENTS

The Strategic Report contains forward-looking type statements and information based on current expectations, and assumptions and forecasts made by the Group. These expectations and assumptions are subject to various known and unknown risks, uncertainties and other factors, which could lead to substantial differences between the actual future results, financial performance and the estimates and historical results given in this report. Many of these factors are outside the Group's control. The Group accepts no liability to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

The Strategic Report was approved by the Board on 25th July, 2014 and is signed on its behalf by:

J. W. Goodwin	R. S. Goodwin
Director	*Director*

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their reports and audited financial statements for the year ended 30th April, 2014.

The Directors have presented their Strategic Report on pages 3 to 8. The Strategic Report is intended to be an analysis of the development and performance of Goodwin PLC, and contains a description of the principal risks and uncertainties facing the Group and an indication of likely future developments. The Chairman's Statement is part of the Strategic Report of the Directors for the year, and provides the financial review, including some of the key performance indicators, and future trends of the business. Also included in the Strategic Report for the year are the Group's Objectives, Strategy and Business Model on page 5, the Principal Risks and Uncertainties on page 6, and the Corporate Social Responsibility Report on page 7. The Strategic Report includes details of R&D in the Chairman's Statement.

The Board considers that the Chairman's Statement, the Strategic Report, the Directors' Reports, and the Financial Statements, taken as a whole, are fair, balanced and understandable and that they provide the information considered appropriate for shareholders to assess the Group's performance during the financial year and at the year end, and to assess the business model and strategy.

The Strategic Report was approved by the Board of Directors on 25th July, 2014.

Proposed ordinary dividends

The Directors recommend that an ordinary dividend of 42.348p per share *(2013: 35.290p)* be paid to shareholders on the register at the close of business on 12th September, 2014. If approved by shareholders, the ordinary dividend will be paid to shareholders on 10th October, 2014.

Directors

The Directors of the Company who have served during the year are set out below.

J. W. Goodwin
R. S. Goodwin
J. Connolly
M. S. Goodwin
A. J. Baylay
S. R. Goodwin
S. C. Birks
B. R. E. Goodwin

The Directors retiring in accordance with the Articles are Mr. A. J. Baylay and Mr S. R. Goodwin who, being eligible, offer themselves for re-election.

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

The Company does not have any share option schemes for employees or directors. No equity sharing or long term incentive plans that would diminish shareholder value will be put in place unless voted upon at an Annual General Meeting.

Shareholdings

The Company has been notified that as at 23rd July, 2014 the following had an interest in 3% or more of the issued share capital of the Company:

J. W. and R. S. Goodwin 2,058,631 shares (28.59%), J. W. and R. S. Goodwin 1,269,967 shares (17.64%). These shares are registered in the names of J. M Securities Limited and J. M. Securities (No. 3) Limited respectively. J. H. Ridley 493,738 shares (6.86%), Rulegale Nominees (JAMSCLT) 400,507 shares (5.56%).

Share capital

The Company's issued share capital comprises a single class of share capital which is divided into ordinary shares of 10p each. Information concerning the issued share capital in the Company is set out in note 19 to the financial statements on page 43.

All of the Company's shares are ranked equally and the rights and obligations attaching to the Company's shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in England and Wales or by writing to the Company Secretary.

There are no restrictions on the voting rights of shares and there are no restrictions in their transfer other than:

- Certain restrictions as may from time to time be imposed by laws and regulations (for example insider trading laws); and
- Pursuant to the Model Code whereby Directors of the Company require approval to deal in the Company's shares.

Additionally, the Company is not aware of any agreements between shareholders of the Company that may result in restrictions on the transfer of ordinary shares or voting rights.

The Directors have not been given the authority to issue or buy back the shares of the Company.

REPORT OF THE DIRECTORS *(continued)*

Change in control

The Group's committed loan facilities include a change of control clause, which states that a change of control of the parent Company will be classed as an event of default and would enable the providers at their discretion to withdraw the facilities.

Shareholder relations

All shareholders are encouraged to participate in the Company's Annual General Meeting. No shareholder meeting has been called to discuss any business other than ordinary business at the Annual General Meeting.

The Board complies with the recommendations of the UK Corporate Governance Code that the notice of the Annual General Meeting and related papers should be sent to shareholders at least twenty working days before the meeting.

The Directors attend the Annual General Meeting. The Chairman and other members of the Board will be available to answer questions at the forthcoming Annual General Meeting. In addition, proxy votes will be counted and the results announced after any vote on a show of hands.

The Chairman ensures that the views of shareholders are communicated to the Board as a whole, ensuring that Directors develop an understanding of the views of shareholders. Any individual requests for information from shareholders are dealt with by the Chairman, and where any such requests are subject to restraint in that any disclosure would give rise to share price sensitive information, then the requests would be declined, or referred to the Board for release to all shareholders through the Stock Exchange.

Going concern

With the current level of order input, the opportunity for continued profitability remains good for the next twelve months. The impact of working capital requirements on our banking facilities given the expected level of activity and capital spend commitments will require close management. After reviewing the situation, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Auditors

In accordance with Section 489 of the Companies Act 2006 and the recommendation of the Board of Directors, a resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG LLP as auditor of the Company.

Approved by the Board of Directors and signed on its behalf by:

J. W. Goodwin
Chairman

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

25th July, 2014

CORPORATE GOVERNANCE REPORT

Introduction

The Board comprises eight Directors; the Audit Committee comprises the Company Secretary, (chairman), and three Board Directors. The Board and the Audit Committee fulfil the roles required for effective corporate governance and the Board considers that it has the right governance to execute its strategy to achieve its objectives.

The Board has always felt that it should be recognised that what may be appropriate for the larger company may not necessarily be so for the smaller company, a point raised previously in the Cadbury Code of Best Practice. Whilst conscious of its non-compliance with certain aspects of the revised Code as detailed below, it does not believe that at this stage in the Group's development and circumstances it is appropriate to change its own operational or governance structure with the sole objective of achieving compliance with the revised Code given that the Board's current corporate governance strategy has been accepted by a large majority of its shareholders.

In view of the Group's present size and proven track record, non-executive directors are not thought to be appropriate, due to the time and cost likely to be involved and the lack of opportunity for adding significant value to the business. Part of the Board's policy for corporate governance, where considered appropriate, is to engage independent bodies comprising external consultants for independent expert opinion on various matters. As before, where it does not comply, the Board is happy to provide its explanations for not doing so on the basis that it believes that such non-compliance is more appropriate to the shareholders' and the Group's long term interests.

Compliance statement under the UK Corporate Governance Code, revised October 2012

The Company is required to report on compliance throughout the year. In relation to all of the provisions except those mentioned below, the Company complied throughout the period.

The Group does not comply with aspects of the Code's requirements under paragraphs A4, B1, and C3 in terms of having either a senior independent director or other non-executive directors on the Board and the requirement to have non-executive directors on the Audit Committee. It does not have a Remuneration Committee or a Nominations Committee as required under paragraphs B2 and D2.

The roles of the Chairman in running the Board and the Managing Director in running the Group's businesses are well understood. It is not considered necessary to have written job descriptions. This is contrary to paragraph A2.1. The Chairman and Managing Director do not retire by rotation, which is contrary to paragraph B7 of the Code.

There is no formal schedule of matters reserved for the Board, which is contrary to paragraph A1.1.

The Board

During the year, the Board met formally twelve times, and details of attendees at these meetings are set out below:

J. W. Goodwin (Chairman)	12 out of 12 attended
R. S. Goodwin (Managing Director)	12 out of 12 attended
J. Connolly	12 out of 12 attended
M. S. Goodwin	12 out of 12 attended
A. J. Baylay	12 out of 12 attended
S. R. Goodwin	12 out of 12 attended
S. C. Birks	12 out of 12 attended
B. R. E. Goodwin	12 out of 12 attended

The Chairman and Managing Director do not retire by rotation. With this exception, all Directors retire at the first Annual General Meeting after their initial appointment and then by rotation at least every three years.

The Board retains full responsibility for the direction and control of the Group and, whilst there is no formal schedule of matters reserved for the Board, all acquisitions and disposals of assets, investments and material capital-related projects are, as a matter of course, specifically reserved for Board decision.

The Board meets regularly with an agenda to discuss corporate strategy; to formulate and monitor the progress of business plans for all subsidiaries and to identify, evaluate and manage the business risks faced. The management philosophy of the Group is to operate its subsidiaries on an autonomous basis, subject to overall supervision and evaluation by the Board, with formally defined areas of responsibility and delegation of authority. The Group has formal lines of reporting in place with subsidiary management meeting with the Board on a regular basis. Regular informal meetings are also held to enable all members of the Board to discuss relevant issues with local management and staff at the business units.

The Audit Committee

The Audit Committee is made up of the following: J. W. Goodwin, R. S. Goodwin, and J. Connolly as Board Directors, and P. Ashley (chairman) as Company Secretary and the Audit Committee reports to the Board. In view of the Group's size, proven track record, and close involvement in the day to day running of the business by the Board of Directors, non-executive directors are not thought to be appropriate. The Audit Committee has met formally four times since the issue of the Annual Report for the year ended 30th April, 2013, with all members attending each meeting. The responsibility of the Audit Committee is explained in the Audit Committee Report on pages 13 to 14. The Audit Committee takes into account the Company's corporate Mission Statement, objectives and strategy, and reviews investor correspondence and comments, regulatory changes, current issues and market trends. The Audit Committee uses expert opinion where considered appropriate.

CORPORATE GOVERNANCE REPORT *(continued)*

Board evaluation

The Managing Director and Chairman address the development and training needs of the Board as a whole. An evaluation of the effectiveness and performance of the Board and the Directors of subsidiaries has been carried out by the Managing Director and Chairman, by way of personal discussions and individual performance evaluation.

All Directors have reasonable access to the Company Secretary and to independent professional advice at the Company's expense.

External audit

The external auditor is appointed annually at the Annual General Meeting. The Board, following review and recommendations received from the Audit Committee, considers the re-appointment of the auditor, and assesses on an annual basis the qualification, expertise, cost, independence and objectivity of the external auditor. In addition, the Audit Committee monitors the level of non-audit services provided to the Group by the external auditor to ensure that their independence is not compromised.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Corporate Governance Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken reasonable steps to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Internal Control and Risk Management

The Board has overall responsibility for the Group's systems of internal controls and risk management which are designed to manage rather than eliminate risk and provide reasonable reassurance against material misstatement or loss.

The Board has primary responsibility for controlling: operational risks; financial risks including funding and capital spend; compliance risks; and political risks. The Audit Committee has been delegated responsibility for corporate reporting, financial risk management and to regularly review the effectiveness of the Group's internal controls together with consideration of any reports from the external auditor. The Audit Committee Report is on pages 13 to 14. Except as noted within this Corporate Governance Report, the Board confirms that the internal control systems comply with the UK Corporate Governance Code.

The Group's main systems of internal controls includes regular visits and discussions between Board Directors and subsidiary management on all aspects of the business including financial reporting, risk reporting, and compliance reporting. In addition, there is Board representation with Goodwin PLC Directors on the boards of the subsidiaries. Any concerns are reported to the members of the Audit Committee and to the Board. The Group maintains a risk register, has business continuity programmes, and has insurance programmes that are all regularly reviewed. These procedures have been in place throughout the year and up to the date of this report and accord with the FRC publication 'Internal Control: Guidance for Directors on the UK Corporate Governance Code'. The Board considers that the close involvement of Board Directors in all areas of the day-to-day operations of the Group's business, including considering reports from management and discussions with senior personnel throughout the Group, represents the most effective control over its financial and business risks system, by providing an on-going process for identifying, evaluating and managing the principal risks faced by the Group. In particular, authority is limited to Board Directors in key risk areas such as treasury management, capital expenditure and other investment decisions.

The close involvement of Board Directors in the day to day operations of the business ensures that the Board has the financial and non financial controls under constant review, and so it is not currently considered that formal Board reviews of these controls would provide any additional benefit in terms of the effectiveness of the Group's internal control systems.

The Board recognises the importance of an effective internal audit function to assist with the management and review of internal controls and business risk. The Internal Audit Department is currently in the process of being reformed due to a change in personnel and we are aiming to significantly enhance our capability in this area. The Board Directors and senior management will continue to have close involvement on a day-to-day operational basis and the scope and results of internal audit work to be performed will be kept under review in the coming year.

The Board considers that certain functions are best carried out by independent external bodies with specific expertise, who then report to the Board directly or through the Audit Committee. To further the Group's commitment to maintaining strong corporate governance we can confirm that since the last annual report, we have appointed an international firm of accountants so that certain key business risk areas are reviewed by those skilled in business continuity and due process. Also during the year, the Board has commissioned external reviews of the Group's insurance, banking, property, and data protection by independent experts.

The Board confirms that it has not been advised of any material failures or weaknesses in the Group's internal control systems.

Approved by the Board of Directors and signed on its behalf by:

J. W. Goodwin
Chairman

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

25th July, 2014

AUDIT COMMITTEE REPORT

The key role of the Audit Committee is to provide confidence in the integrity of the Group's financial risk management, internal financial controls and corporate reporting. The Audit Committee, as empowered by the Group's Board of Directors, has responsibility for:

1. Ensuring the integrity of the Group's full year Annual Report, half year Interim Report and quarterly Interim Management Statements; that they provide the information necessary for shareholders to assess the Group's performance; and recommending them to the Board for approval.
2. Ensuring the Group carries effective and relevant financial and non financial internal controls and risk management systems.
3. Making recommendations to the Group's Board of Directors on the appointment and remuneration of the Group's external auditor; ensuring independence of the auditor; the effectiveness of the audit process; and that the Group receives value for money from the audit.
4. Reviewing any significant comments brought to its attention by Directors or other employees of the Group.
5. Reviewing the Group's "whistle-blowing" procedures.
6. Reviewing the scope of work for the internal audit function.

The Audit Committee discharges each of its above responsibilities as follows:

1. Ensuring the integrity of the Group's Annual Report, half year Interim Report and quarterly Interim Management Statements:

Members of the Audit Committee are involved in the day to day running of the Group, including regular meetings held between members of the Audit Committee, other Directors, General Managers and Senior Management of the UK subsidiaries. Each overseas subsidiary is typically visited during the year by a member of the Audit Committee, or by a Main Board Director, for meetings with the General Managers and Senior Management with reports sent back to the Audit Committee. On a formal basis, members of the Audit Committee are involved in quarterly discussions with the General Managers and Senior Management of each subsidiary where the positions taken on subjective financial matters are discussed. Any areas where the Audit Committee feels that the positions taken within any particular subsidiary are either inappropriate or merit further discussion are documented for further discussion by the Board of Directors.

The Audit Committee reviews the quarterly Interim Management Statements and advises the Board of Directors that they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's quarterly performance.

For the half year Interim Report, the Audit Committee reviews the financial and non-financial content, including the Chairman's Statement, and reviews the Financial Statements and qualitative notes of the Financial Statements, to ensure that they are balanced, relevant, compliant with relevant accounting standards / legislation, and are consistent and complete. The Audit Committee advises the Board of Directors whether the half year Interim Report taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's half year performance. The figures in the half year Interim Report are not audited, but the external auditors are given sight of these before publication.

For the full year Annual Report, the Audit Committee reviews the financial and non-financial content of the Strategic Report, including the Chairman's Statement; the Corporate Governance Report; the Directors Report; the Directors' Remuneration Policy and Report; and reviews the Financial Statements and the qualitative notes to the Financial Statements to ensure that the content is balanced, relevant, compliant with relevant accounting standards / legislation, and are consistent and complete. The Audit Committee has discussed the full year Annual Report with the Group External Auditor. The Audit Committee confirmed to the Board that in its opinion the draft of the Annual Report for the year ended 30th April, 2014 taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's full year performance, its position at the year end, and its business model and strategy.

2. Ensuring the Group carries effective and relevant internal controls and financial risk management systems.

To assess the effectiveness of systems for internal financial controls, financial reporting and financial risk management, the Audit Committee reviews reports from Main Board Directors on the Group's subsidiaries; reviews reports from General Managers of the Group's subsidiaries; reviews monthly financial reports; reviews reports from internal and external audit; reviews reports from independent external consultants; and reviews the Group's risk register, business continuity programmes, and levels of insurance.

AUDIT COMMITTEE REPORT *(continued)*

During the year, the Group has supplemented its extensive internal knowledge with independent external reports from the following:

i) The Group's external auditors' review and comment on internal controls to the Audit Committee (KPMG LLP)

ii) The review of the Group's UK tax compliance (Baker Tilly)

iii) The use of other independent external consultants who are specialists in their fields:

a) Business Continuity and Risk Assessments (PwC)

b) Insurance Portfolio (AON)

c) Asset Valuations for insurance purposes (Charterfields)

d) Bank facilities and management of foreign exchange risks (JC Rathbone)

e) Propriety of insurance contracts (Mactavish)

f) IT security assessment (Sec-1)

The Audit Committee has confirmed its view to the Board that in its opinion the Group carries relevant internal controls and risk management systems appropriate to minimise the perceived risks of the Group's business.

3. The Group's external auditor.

The Audit Committee has met formally with the Group's external auditor, KPMG LLP, to discuss the full year Annual Report, and has met with and discussed matters with them as part of the audit process during the current financial year being reported on. No material concerns were raised during these meetings or discussions. The Audit Committee was satisfied with the external auditor's performance, independence, the effectiveness of the audit process, and the level of audit remuneration, and has recommended to the Board to propose the re-appointment of KPMG LLP as the external auditor at the Annual General Meeting on 8th October, 2014.

4. Reviewing significant comments.

There is regular contact with Directors and employees and open and honest discussion is encouraged.

5. Whistle-blowing Procedures.

The Group has a whistle blowing policy in place whereby employees can report any suspected misconduct or concerns, either anonymously on a dedicated telephone line, or to the Chairman, the Company Secretary or the external auditors. Such calls are investigated and are reported to the Audit Committee. The Audit Committee has confirmed to the Board that the Group's whistle-blowing policy and procedures are appropriate.

6. Internal Audit.

The Internal Audit department is currently in the process of being reformed due to a change in personnel. The Audit Committee is closely involved with the recruitment process.

7. Significant judgements relating to the Financial Statements

The Audit Committee reviewed what it considered to be the significant judgement areas within the Group annual accounts for the year ended 30th April, 2014. The Audit Committee also took account of the findings of KPMG LLP in relation to their external audit work for the year.

In particular, the Audit Committee considered the following principal risk areas:

Revenue recognition - whether sales recorded in the year were generally in compliance with the IAS 18 revenue recognition standard.

The adequacy of the Group's provisions in relation to its sales contracts (both warranties and net realisable value issues with regard to the year end work in progress).

In addition, the Audit Committee also considered other areas including the adequacy of the Group's debtor impairment reserves and the adequacy of the Group's provision against damaged, slow moving and obsolete stocks.

Following the review and having held discussions with management where appropriate as well as KPMG LLP themselves, the Audit Committee was of the opinion that the significant judgements contained within these Financial Statements were both justified and appropriate.

P. Ashley
Chairman of the Audit Committee

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

25th July, 2014

DIRECTORS' REMUNERATION POLICY AND REPORT

This report includes the Group's Remuneration Policy for Directors, and sets out the Annual Directors' Remuneration Report.

Group's Remuneration Policy for Directors

The Group's policy in respect of Directors' remuneration is to provide individual packages which are determined having due regard to the Group's current and projected profitability, the employee's specific areas of responsibility and performance, their related knowledge and experience in the Group's specific fields of operation, the external labour market and their personal circumstances whereby a package to remunerate and motivate the individual so as to best serve the Group is set. Individual salaries are also indirectly linked up and down to the time allocated and perceived effort by the Director to the Group's business. Many Directors, as indeed employees, put in hours of work way beyond what could be requested and such personal devotion to duty by a Director is rewarded without formulae. All Board members have access to independent advice when considered appropriate. In forming its policy consideration has been given to the UK Corporate Governance Code best practice provisions on remuneration policy, service contracts and compensation and has considered the remuneration levels of directors of comparative companies.

At present, it is not considered necessary to include a fixed formula performance related element within the remuneration of individual Directors.

The Group's Remuneration Policy applies to existing Directors and will apply to any new Board appointments.

The remuneration policy for other employees is broadly based on principles consistent with the policy for Directors. Salary reviews take into account Group performance as well as subsidiary performance, local pay and market conditions.

Whilst being aware of the new requirements to show in graph form the breakdown of base pay, bonus pay, pension and long term benefits, the Group is unable to comply with this requirement as Directors are not paid in accordance with any specific performance criteria or KPIs. Directors are paid based on their level of activity within the Group, their knowledge and experience of the Group's activities or similar, the performance of the Group versus market opportunity whilst also considering the Director's personal circumstances and the salary needed to ensure continuity of employment. This in itself may result in decreases or increases in Director salary within any year as illustrated in the matrix below.

Element of Pay	**Purpose and Link to Strategy**	**Operation**	**Maximum**	**Performance Targets**	**Changes for 2013/2014**
Salary	Reflects the Directors' level of activity within the Group, their knowledge and experience of the Company's activities or similar, the performance of the Group versus market opportunity, whilst also considering the salary needed to ensure continuity of employment.	Reviewed annually at the anniversary of the previous salary adjustment for the individual Director.	Generally in line with inflation and the wage/salary increase awarded to employees, but this is not rigid.	The Group's performance, good or bad, may result in the salary being flexed.	The Managing Director sets the base increase in salaries. For the period May 2013 to April 2014 the increase was 1.6%.
Bonus	No bonus strategy or incentive is agreed or contractual with any Director. Should any be awarded, it is discretionary and generally between 0% and 25%, but with a maximum of 60%, as determined by the Managing Director and audited by the Chairman.	Following review of the half year and year end results of the Company.	60% of salary.	N/A	No exceptional bonuses were paid this year.
Long Term Incentive Plan	There are no share option schemes or short or long term incentive schemes for Directors.	N/A	N/A	N/A	N/A
Pension	All Directors have 3% added to their gross remuneration which, by nature of salary sacrifice is put into a pension scheme where they have direct dealings with the selected investment fund provider.	Monthly payments.	Currently 3% of gross remuneration.	N/A	This policy was adopted in October 2013 for the Directors and entire UK workforce.

DIRECTORS' REMUNERATION POLICY AND REPORT *(continued)*

Group's Remuneration Policy for Directors *(continued)*

Element of Pay	Purpose and Link to Strategy	Operation	Maximum	Performance Targets	Changes for 2013/2014
Other benefits	Fully expensed car or cash alternative, health insurance or other services.	N/A	N/A	N/A	See details of the Directors' emoluments on Page 19.
Share Ownership Guidelines	N/A as no scheme exists.	N/A	N/A	N/A	N/A

As will be seen below, the long term ongoing Total Shareholder Return on investment (TSR) is more than acceptable, whether it be over five years, ten years or twenty years, but this has been achieved by the Directors and the Company taking long term policy decisions that at the time did not necessarily produce what a short term trader would have wanted in terms of annual profit and dividend. It is for this reason that Goodwin PLC has no desire to put excessive annual bonuses as a prime motivator to its Directors as this so often leads to undiscerning decisions being made that detrimentally affect the long term wealth of a company. Directors' remuneration is designed to promote the long-term success of the Company.

In any company there are specific individual circumstances that on occasions will merit special treatment in a given year for a director either to keep or look after the person, indeed no different than we may do for an employee. In the matrix of remuneration for Directors you will note the Company has given itself flexibility to deal with specific circumstances which may not even be able to be made public for confidentiality reasons of which there are many. However, bearing in mind the performance of the Company over the past 20 years and more and that the Director salaries are anything but excessive versus the norm of other PLCs, this is the Board's policy.

The Company has found over the years that this method of managing remuneration, which is principally monitored by the Managing Director and audited by the Chairman, has produced a team of cohesive Directors who have achieved results that surpass the average PLC performance, be it of the FTSE 100 or the FTSE 350, by a large margin. The unacceptable results over the past six years of many supposedly Blue Chip companies run with independent boards with very much incentivised executive directors is something that the Board of Goodwin PLC has no intention of emulating and, as such, whilst Goodwin PLC will try to adopt the Listing Rules in form of presentation, there will be significant areas of omission in the disclosure of remuneration details for the reasons stated above.

For reference the TSR of Goodwin PLC versus the FTSE 100 and the FTSE 350 is shown below for not only the last five but also the last ten years and the last twenty years.

	Goodwin	FTSE 100	FTSE 350
TSR for last 5 Years	415%	85%	93%
TSR for last 10 Years	2,142%	110%	124%
TSR for last 20 Years	23,983%	318%	345%

As is required by the Listing Rules, we show in graph form both the increase in salary of the Managing Director of Goodwin PLC and the TSR over the past ten years. We however do not list out the salary of the Financial Director of Goodwin PLC versus the TSR as in Goodwin we have a Group Chief Accountant (John Connolly) who carries out 75% of the duties of a Financial Director and who is also a Director of Goodwin PLC, but we do not have what would generally be known as a Financial Director. This is for the reason that certain decisions that outsiders might consider are the sole responsibility of the Financial Director are not. In Goodwin it is a team effort and such decisions are made not only by the Group Chief Accountant but also by the Managing Director and the Chairman.

The Company put the Remuneration Policy to the vote of the Annual General Meeting last year, and will be doing so again this year and every three years thereafter as is required by the Listing Rules.

For confidentiality and flexibility reasons, the Board policy is not to disclose exit/termination payments to Directors but the policy is to remain within the law, to fairly compensate good leavers and minimise payments to bad leavers. In the last ten years the Company has managed to avoid paying any termination payments to bad leavers. It is, however, Board policy to limit termination payments to a maximum of 100% of gross annual salary and should such amount be exceeded than it will be reported in the annual accounts giving the reason why.

It is confirmed that there are and will be no equity sharing or long term incentive plans that will diminish shareholder value unless voted upon at an Annual General Meeting. The Company takes seriously its responsibility for ensuring a fair deal between employees, shareholders, customers and the local community and maintaining an appropriate balance.

The Company does not use or pay any external advisors or consultants for remuneration or incentive policy. Shareholder engagement is by nature of the Annual Report and Accounts, the Annual General Meeting and the votes therein.

DIRECTORS' REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report

This report is submitted in accordance with the Directors' Remuneration Report Regulations.

Consideration by the Directors of matters relating to Directors' remuneration

The Company's Remuneration Policy for Directors is set by the Board as a whole and is described in pages 15 to 16. The Policy has been followed in the financial year to 30th April, 2014 and will be followed in the next financial year.

The Board of Directors are also the key management personnel as defined in IAS 24.

Service contracts

None of the Directors has a service contract, a Director may resign at any time by notice in writing to the Board. There are no set minimum notice periods but all Directors other than the Chairman and Managing Director are subject to retirement by rotation and as employees also have notice periods in accordance with law. No compensation as of right is payable to Directors on leaving office.

Relative importance of spend on pay

The table below shows shareholder distributions and total employee expenditure, and the percentage change in both

	2014 £'000	2013 £'000	%
Ordinary dividends proposed in respect of the year	**3,049**	2,541	20.0%
Extraordinary dividends proposed in respect of the year	**–**	1,270	
Total dividends proposed in respect of the year	**3,049**	3,811	
Total employee expenditure	**36,451**	33,422	9.1%

Approval of the Company's Remuneration Policy for Directors and the Annual Directors' Remuneration Report

An ordinary resolution for the approval of the Company's Remuneration Policy for Directors and the Annual Director's Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting. The Company's Remuneration Policy for Directors and the Annual Directors' Remuneration Report presented in the accounts to 30th April, 2013 was put to the shareholders at last year's Annual General Meeting on 9th October, 2013. With respect to the Company's Remuneration Policy, 96.9% of proxy votes were cast in favour of the policy. The Annual Directors' Remuneration Report was accepted with 96.6% of proxy votes cast in favour.

Total shareholder return

The following graphs compare the Group's total shareholder return over the ten and twenty years ended 30th April, 2014 with various FTSE indices. The graphs also show the increase in the earnings of the Managing Director for these periods.

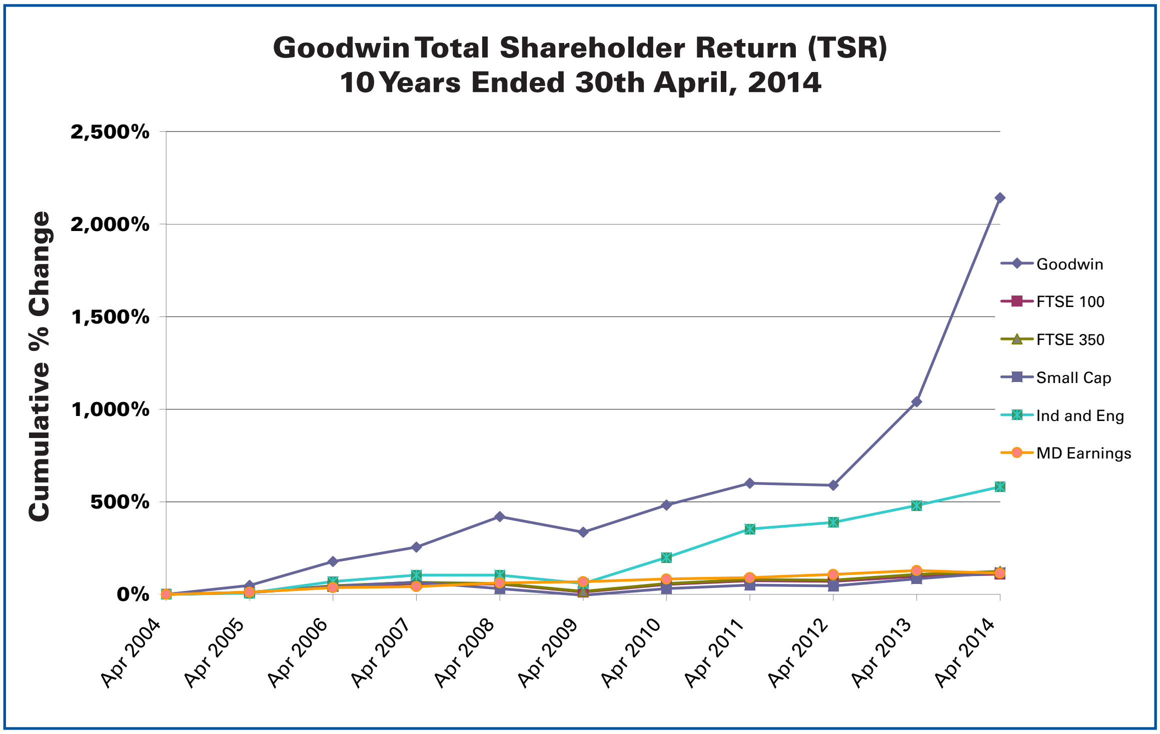
The base earnings of the Managing Director during the year has increased by 1.6% from the previous year, but this year there was £Nil exceptional bonus paid *(2013: £25,000).* The total earnings of the Managing Director for the last five years are:

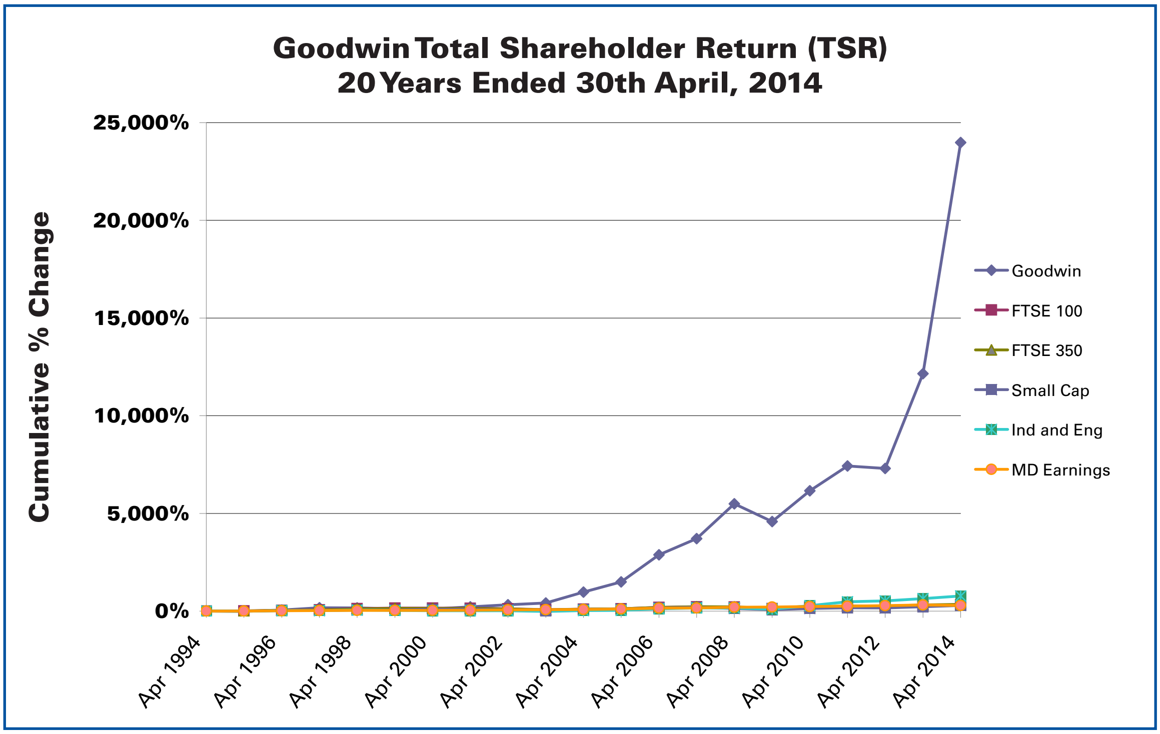
2010 £'000	**2011 £'000**	**2012 £'000**	**2013 £'000**	**2014 £'000**
308	**320**	**349**	**385**	**360**

During the year, the Group followed the UK Government's requirements to set up Auto Enrolment Pension arrangements. Excluding the increased pension payments during this year, the basic average earnings of all employees of the Group as a whole has increased by 3.2% from the previous year.

DIRECTORS' REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*





The increase in the share price since 1994 plus dividends re-invested would mean that £1.00 invested in 1994 would at 30th April, 2014 be worth £239.83. The increase in the share price since 2004 plus dividends re-invested would mean that £1.00 invested in 2004 would at 30th April, 2014 be worth £21.42.

DIRECTORS' REMUNERATION POLICY AND REPORT *(continued)*

Annual Directors' Remuneration Report *(continued)*

The auditors are required to report on the following information contained in this section of the Annual Directors' Remuneration Report.

Directors interests in the share capital of the Company

The interests of the Directors in the share capital of the Company at the beginning and end of the financial year were as follows:

	Number of 10p ordinary shares	
	30th April, 2014	30th April, 2013
Beneficial		
J. W. Goodwin	**58,899**	67,369
R. S. Goodwin	**24,915**	33,338
J. W. Goodwin and R. S. Goodwin	**2,058,631**	2,040,631
J. W. Goodwin and R. S. Goodwin	**1,269,976**	1,254,372
J. Connolly	**722**	722
M. S. Goodwin	**84,152**	99,768
S. R. Goodwin	**104,980**	108,881
A. J. Baylay	**1,200**	1,200
B. R. E. Goodwin	**47,590**	51,491
Non beneficial		
J. W. Goodwin and E. M. Goodwin	**14,166**	14,166

Since 30th April, 2014, B. R. E. Goodwin has purchased 687 shares. His total holding is now 48,277 shares. There have been no other changes in the Directors' interests between 30th April, 2014 and 25th July, 2014.

Details of individual emoluments and compensation

Single Total Figure Table	**Salary**	**Benefits in kind**	**Other money or assets receivable**	**Pension contributions**	**Total**	Total
	2014 £'000	**2014 £'000**	**2014 £'000**	**2014 £'000**	**2014 £'000**	2013 £'000
J. W. Goodwin	**308**	**45**	**–**	**7**	**360**	385
R. S. Goodwin	**308**	**45**	**–**	**7**	**360**	385
J. Connolly	**213**	**41**	**–**	**4**	**258**	248
M. S. Goodwin	**226**	**27**	**–**	**4**	**257**	238
S. R. Goodwin	**154**	**3**	**–**	**2**	**159**	159
A. J. Baylay	**113**	**17**	**–**	**2**	**132**	132
S. C. Birks*	**134**	**15**	**–**	**2**	**151**	77
B. R. E. Goodwin*	**116**	**2**	**–**	**2**	**120**	62
F. A. Gaffney (retired 28th March, 2013)	**–**	**–**	**–**	**–**	**–**	136
Total	**1,572**	**195**	**–**	**30**	**1,797**	1,822

*S. C. Birks & B. R. E. Goodwin were appointed as Directors on the 14th November, 2012 and their remuneration for the previous year reflects the salary and benefits paid to them as Directors since that date.

Benefits-in-kind consist of the provision of a fully-expensed motor vehicle, cash alternative scheme, healthcare insurance or other services.

There are no share option schemes or other long term incentive schemes.

Total pension entitlements

During the year, the Group has followed the Government's requirements to set up a pension scheme for all UK employees including Directors. Under this Auto Enrolment Pension arrangement each Director has an amount of 3% of gross remuneration paid into a pension scheme where they have direct dealings with the selected investment fund provider. The pension contributions are to money purchase pension schemes which are independent of the Company.

The Company has no obligations to make any payments in relation to pensions when a Director leaves service by nature of removal from office, resignation or retirement.

The Annual Directors' Remuneration Report was approved by the Board on 25th July, 2014 and is signed on its behalf by:

J. W. GOODWIN
Director

R. S. GOODWIN
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their income statement or profit or loss for that period.

In preparing each of the Group and parent Company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Report of the Directors, Corporate Governance Report, Audit Committee Report and Directors' Remuneration Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statements of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report and the Directors' Reports include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

J. W. GOODWIN
Director

R. S. GOODWIN
Director

25th July, 2014

INDEPENDENT AUDITOR'S REPORT
to the Members of
GOODWIN PLC ONLY

OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Goodwin PLC for the year ended 30th April, 2014 set out on pages 23 to 56. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30th April, 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risk of material misstatement that had the greatest effect on our audit were as follows:

Recognition of revenue *(With regard to the £130 million revenue reported for the year ended 30th April, 2014)*

Refer to page 14 (Board report), page 32 (accounting policy) and pages 33 to 34 (financial disclosures)

The risk – The Group's commercial terms agreed with customers determine the point at which revenue can be recognised in accordance with accounting standards. As these commercial terms can be complex and vary between components of the Group a detailed review is required by the Group in identifying the appropriate accounting treatment in each case and in particular the milestone in the arrangement when revenue can be recognised. The most significant risk is that the Group might inappropriately arrive at or apply an accounting treatment for the transaction such that the accounting for the transaction does not reflect the timing of transfer of the significant risks and rewards of ownership to the buyer. This could lead to revenue and profit being recognised in the incorrect period.

Our response – Our audit procedures included, among others, for the significant commercial terms applied by the Group making our own independent assessment, with reference to the relevant accounting standards, of the milestone or milestones at which it would be appropriate to recognise revenue. Those assessments were compared to the actual accounting treatment applied by the Group. For a selection of significant actual revenue transactions, focussed on the periods immediately prior to and after the year end, we obtained customer purchase orders, shipping documentation and sales invoices to identify the commercial terms agreed with the customer. We then tested whether the actual accounting treatment applied by the Group for those revenue transactions was in line with our expected accounting treatment for those specific commercial terms.

Warranty provision *(With regard to the £0.7 million provision held at the year ended 30th April, 2014)*

Refer to page 14 (Board report), page 32 (accounting policy) and page 40 (financial disclosures)

The risk – Certain of the Group's products incorporate the right to return under a pre-agreed warranty policy with its customers. The warranty periods offered vary between the components of the Group and markets (in line with commercial terms agreed with the customer). Determination as to whether to recognise a provision and the amount of the provision to be recognised requires the Group to make judgements and estimates that are inherently subjective, including the likelihood of claims arising, the number of parts affected and the cost of rectification of those parts.

Our response – Our audit procedures included among others, discussions with operational management as to current and historical quality issues and known or expected warranty claims, corroboration of these discussions through review of board minutes and credit notes and, where available, inspection of customer correspondence regarding known warranty issues in order to assess the completeness and accuracy of the warranty provision. For specific provisions, we assessed the calculation of the provision taking into account available supporting documentation such as customer correspondence and management cost estimates. We critically challenged the key management judgements made in determining the Group's provisions including a comparison of these judgements to historical product return levels. We also considered the adequacy of the Group's disclosures.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £1.5m. This has been determined with reference to a benchmark of Group profit before taxation (of which it represents 6.2%), which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Group.

INDEPENDENT AUDITOR'S REPORT
to the Members of
GOODWIN PLC ONLY *(continued)*

3. Our application of materiality and an overview of the scope of our audit *(continued)*

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with an individual value in excess of £75,000 and all other cumulative audit misstatements.

Audits for Group reporting purposes were performed by component auditors at the key reporting component in Germany and by the Group audit team in the United Kingdom. In addition, specified audit procedures were performed by component auditors in Thailand, India and China. These Group procedures covered 97% of total group revenue; 101% of Group profit before taxation; and 95% of total Group assets.

The audits undertaken for Group reporting purposes at the key reporting components of the Group were all performed to materiality levels set by, or agreed with, the Group audit team. These materiality levels were set individually for each component and ranged from £6,000 to £1,044,000.

Detailed audit instructions were sent to all the auditors in these locations. These instructions covered the significant audit areas that should be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported back to the Group audit team. Telephone meetings were held with the auditors in Germany.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5. We have nothing to report on in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the Audit Committee report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 10, in relation to going concern;
- the part of the Corporate Governance Statement on page 11 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement, set out on page 20, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Simon Purkess (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill, Snowhill Queensway, Birmingham, B4 6GH

25th July, 2014

GOODWIN PLC

CONSOLIDATED INCOME STATEMENT

For the year ended 30th April, 2014

	Notes	2014 £'000	2013 £'000
CONTINUING OPERATIONS			
Revenue	2	**130,828**	126,964
Cost of sales		**(86,010)**	(86,404)
GROSS PROFIT		**44,818**	40,560
Distribution expenses		**(3,783)**	(3,378)
Administrative expenses		**(16,494)**	(16,026)
OPERATING PROFIT		**24,541**	21,156
Financial expenses	5	**(760)**	(1,133)
Share of profit of associate companies	11	**314**	273
PROFIT BEFORE TAXATION	2, 3	**24,095**	20,296
Tax on profit	6	**(4,448)**	(4,609)
PROFIT AFTER TAXATION		**19,647**	15,687
ATTRIBUTABLE TO:			
Equity holders of the parent	19	**19,035**	15,247
Non-controlling interests		**612**	440
PROFIT FOR THE YEAR		**19,647**	15,687
BASIC AND DILUTED EARNINGS PER ORDINARY SHARE	7	**264.38p**	211.76p

The notes on pages 28 to 56 form part of these financial statements.

GOODWIN PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th April, 2014

	2014 £'000	2013 £'000
PROFIT FOR THE YEAR	**19,647**	15,687
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:		
Foreign exchange translation differences	**(2,270)**	1,123
Effective portion of changes in fair value of cash flow hedges	**2,245**	(170)
Change in fair value of cash flow hedges transferred to the income statement	**218**	(492)
Tax charge on items that may be reclassified subsequently to the income statement	**(522)**	149
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF INCOME TAX	**(329)**	610
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**19,318**	16,297
ATTRIBUTABLE TO:		
Equity holders of the parent	**19,244**	15,627
Non-controlling interests	**74**	670
	19,318	16,297

GOODWIN PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th April, 2014

	Share capital £'000	Trans-lation reserve £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interests £'000	Total equity £'000
Year ended 30th April, 2014							
Balance at 1st May, 2013 ...	720	1,723	(746)	56,657	58,354	4,173	62,527
Total comprehensive income:							
Profit	–	–	–	19,035	19,035	612	19,647
Other comprehensive income:							
Foreign exchange translation differences	–	(1,732)	–	–	(1,732)	(538)	(2,270)
Net movements on cash flow hedges	–	–	1,941	–	1,941	–	1,941
Total comprehensive income for the year ...	–	**(1,732)**	**1,941**	**19,035**	**19,244**	**74**	**19,318**
Transactions with owners of the Company recognised directly in equity							
Purchase of non-controlling interest without a change in control	–	–	–	(197)	(197)	(44)	(241)
Dividends paid	–	–	–	(3,811)	(3,811)	(223)	(4,034)
Balance at 30th April, 2014	**720**	**(9)**	**1,195**	**71,684**	**73,590**	**3,980**	**77,570**
Year ended 30th April, 2013							
Balance at 1st May, 2012 ...	720	830	(233)	43,720	45,037	3,671	48,708
Total comprehensive income:							
Profit	–	–	–	15,247	15,247	440	15,687
Other comprehensive income:							
Foreign exchange translation differences	–	893	–	–	893	230	1,123
Net movements on cash flow hedges	–	–	(513)	–	(513)	–	(513)
Total comprehensive income for the year ...	**–**	**893**	**(513)**	**15,247**	**15,627**	**670**	**16,297**
Transactions with owners of the Company recognised directly in equity							
Dividends paid	–	–	–	(2,310)	(2,310)	(168)	(2,478)
Balance at 30th April, 2013	**720**	**1,723**	**(746)**	**56,657**	**58,354**	**4,173**	**62,527**

GOODWIN PLC

CONSOLIDATED BALANCE SHEET

At 30th April, 2014

	Notes	2014 £'000	2013 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**44,096**	33,308
Investment in associates	11	**1,193**	1,314
Intangible assets	10	**10,634**	11,496
		55,923	46,118
CURRENT ASSETS			
Inventories	14	**31,215**	31,833
Trade and other receivables	15	**32,851**	34,953
Derivative financial assets	20	**2,517**	809
Cash and cash equivalents	16	**6,233**	5,514
		72,816	73,109
TOTAL ASSETS		**128,739**	119,227
CURRENT LIABILITIES			
Bank overdraft	16	**–**	77
Interest-bearing loans and borrowings	17	**2,391**	1,902
Trade and other payables	18	**33,685**	29,994
Deferred consideration	18	**500**	500
Derivative financial liabilities	20	**1,119**	1,231
Liabilities for current tax		**2,401**	2,423
Warranty provision	12	**383**	378
		40,479	36,505
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	**7,485**	17,130
Warranty provision	12	**336**	484
Deferred tax liabilities	13	**2,869**	2,581
		10,690	20,195
TOTAL LIABILITIES		**51,169**	56,700
NET ASSETS		**77,570**	62,527
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	19	**720**	720
Translation reserve	19	**(9)**	1,723
Cash flow hedge reserve	19	**1,195**	(746)
Retained earnings	19	**71,684**	56,657
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**73,590**	58,354
NON-CONTROLLING INTERESTS	19	**3,980**	4,173
TOTAL EQUITY		**77,570**	62,527

These financial statements were approved by the Board of Directors on 25th July, 2014 and signed on its behalf by:

J. W. GOODWIN
Director

R. S. GOODWIN
Director

Company Registration Number: 305907

GOODWIN PLC

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th April, 2014

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit from continuing operations after tax		19,647		15,687
Adjustments for:				
Depreciation		3,415		2,792
Amortisation of intangible assets		703		738
Financial expense		760		1,133
Loss/(profit) on sale of property, plant and equipment		13		(20)
Share of profit of associate companies		(314)		(273)
Tax expense		4,448		4,609
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		28,672		24,666
Decrease/(increase) in trade and other receivables		2,484		(9,144)
(Increase)/decrease in inventories		(115)		1,098
Increase in trade and other payables (excluding payments on account)		1,835		85
Increase in payments on account		1,794		1,577
CASH GENERATED FROM OPERATIONS		34,670		18,282
Interest paid		(814)		(1,097)
Corporation tax paid		(4,688)		(4,581)
Interest element of finance lease obligations		(31)		(19)
NET CASH FROM OPERATING ACTIVITIES		29,137		12,585
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	46		144	
Proceeds from disposal of intangible assets...	–		265	
Acquisition of property, plant and equipment	(15,082)		(9,409)	
Purchase of non-controlling interest	(241)		–	
Additional payment for existing subsidiary	(45)		(8)	
Payment of deferred purchase creditor	–		(2,755)	
Dividends received from associate companies	201		308	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(15,121)		(11,455)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of capital element of finance lease obligations... ...	(401)		(303)	
Dividends paid	(3,811)		(2,310)	
Dividends paid to non-controlling interests	(223)		(168)	
Proceeds from loans and committed facilities	–		4,345	
Proceeds from finance leases	356		683	
Repayment of loans and committed facilities	(8,791)		(3,077)	
Finance fees	(56)		–	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(12,926)		(830)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,090		300
Cash and cash equivalents at beginning of year		5,437		5,019
Effect of exchange rate fluctuations on cash held		(294)		118
CASH AND CASH EQUIVALENTS AT END OF YEAR (see note 16)		6,233		5,437

1. Accounting policies

Goodwin PLC (the "Company") is incorporated in the UK.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its parent Company financial statements in accordance with UK GAAP; these are presented on pages 52 to 56.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

With the current level of order input, the opportunity for continued profitability remains good for the next twelve months. The impact of working capital requirements on our banking facilities given the expected level of activity and capital spend commitments will require close management. After reviewing the situation, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

New IFRS standards and interpretations adopted during 2014

In 2014 the following amendments had been endorsed by the EU, became effective and therefore were adopted by the Group:

- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
- Amendments to IFRS 13 Fair Value Measurement
- Annual Improvement Projects to IFRS's. The Annual Improvement Project to IFRS's provides a vehicle for making non-urgent but necessary amendments to IFRS's. Amendments to a number of standards have been adopted

The adoption of these standards and amendments has not had a material impact on the Group's financial statements.

Measurement convention

The financial statements are rounded to the nearest thousand pounds.

The financial statements are based on the historical cost basis except where the measurement of balances at fair value is required as below.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total recognised income and expense and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement within operating profit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal of the foreign operation.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Group are as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand including cash deposits with an original maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade receivables

Trade receivables do not carry interest and are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest method where material as reduced by allowances for impairment when there is objective evidence of impairment. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an impairment account and any impairment loss is recognised in the income statement.

Recognition and valuation of equity instruments

Equity instruments are stated at par value. For ordinary share capital, the par value is recognised in share capital and the premium in the share premium reserve.

Recognition and valuation of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest bearing bank loans and overdrafts are initially recorded at their fair value less attributable transaction costs. They are subsequently carried at their amortised cost and finance charges and are recognised in the income statement over the term of the instrument using an effective rate of interest. Bank overdrafts that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method where material.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is equal to the present value of the difference between the contractual forward price and the current forward price for the residual maturity of the contract. For derivatives that do not form part of a designated hedge relationship, the gain or loss on re-measurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Derivative financial instruments and hedging *(continued)*

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial cost or other carrying amount of the non-financial asset or liability.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of property, plant and equipment on the following bases:

Freehold land	Nil
Freehold buildings	2% on cost
Leasehold property	over period of lease
Plant and machinery	10% to 25% on reducing balance or cost
Motor vehicles	15% or 25% on reducing balance
Tooling	over estimated production life
Fixtures and fittings	15% to 25% on reducing balance

Assets in the course of construction are not depreciated.

Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of businesses. In respect of business acquisitions that have occurred since 1st May, 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets and contingent liabilities acquired. For acquisitions prior to the adoption of Revised IFRS 3 “Business Combinations” (1st May, 2010), cost includes directly attributable acquisition costs. For acquisitions after this date, such costs are charged to the income statement. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

In respect of acquisitions prior to 1st May, 2006, goodwill is included at transition date on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, amortisation of goodwill has ceased as required by IFRS 1.

Negative goodwill arising on an acquisition is recognised immediately in the income statement.

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Intangible assets and goodwill *(continued)*

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Capitalised development costs 5 years
- Manufacturing rights 6-15 years
- Brand names 3-15 years
- Order book 1 year
- Distribution rights 25 years

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Government grants

Government grants relating to income are recognised in the income statement as a deduction from the expenses that they are intended to compensate.

Government grants relating to assets are recognised in the balance sheet as a deduction in the carrying amount of the asset. Depreciation is charged on the value of the asset less the associated grant.

Amounts of grants received are shown in notes 3 and 9.

Put option in respect of a minority interest in a subsidiary

Where the Group has, through a put option, an obligation to purchase shares in a subsidiary from a minority interest, a financial liability is recognised for the present value of the estimated consideration payable under the put option and the minority interest is not recognised.

For acquisitions made prior to the adoption of Revised IFRS 3 "Business Combinations" (1st May, 2010) at each reporting date, changes in the carrying amount of the liability arising from variations in the estimated fair value of the purchase consideration (excluding the effect of the unwinding of the discount, which is accounted for as a financial expense) are recognised by adjusting the carrying amount of the goodwill recognised on initial recognition of the business combination. For acquisitions after adoption of Revised IFRS 3, any changes in the liability are recognised in the income statement.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Recoverable amount is the greater of an asset's or cash generating unit's fair value less costs to sell or value in use.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use were tested for impairment as at 1st May, 2006, the date of transition to Adopted IFRSs, even though no indication of impairment existed.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Warranty provisions

The Group carries a warranty provision with respect to one of its product lines. The warranties are negotiated at contract placement stage and typically where given to a customer the warranty has a duration of between 2 and 4 years. At the expiry of the warranty period, to the extent not utilised the warranty provision is then released back into the income statement.

Revenue

Revenue represents the amounts (excluding value added taxes and other sales taxes) derived from the provision of goods and services to external customers. Revenue is recognised at the time the principal risks and rewards transfer to the customer typically being either shipment or customer acceptance.

Leases

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial expenses

Financial expenses comprise interest payable, interest on finance leases using the effective interest method and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable is recognised in the income statement as it accrues.

Pension costs

The Group contributes to a defined contribution pension scheme for UK employees under an Auto Enrolment Pension arrangement as required by Government legislation. The assets of the scheme are held in independently administered funds. Group pension costs are charged to the income statement in the year for which contributions are payable.

Contributions to the schemes are made on a monthly basis, and at the end of the financial year there was one month's contributions outstanding, which were paid in the following month.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

New IFRS standards, amendments and interpretations not adopted

The IASB and IFRIC have issued additional standards and amendments which are effective for periods starting after the date of these financial statements. The following standards and amendments have not yet been adopted by the Group:

- IAS 27 (2011) Separate Financial Statements (effective for annual periods beginning on or after 1st January, 2014)
- IAS 28 (2011) Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1st January, 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1st January, 2014)

New IFRS standards, amendments and interpretations not adopted *(continued)*

- IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after 1st January, 2014)
- IFRS 11 Joint Arrangements (effective for annual periods beginning on or after 1st January, 2014)
- IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1st January, 2014)
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January, 2017)
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1st January, 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1st January, 2018)

The Group has considered the impact of these new standards and interpretations in future periods on profit, earnings per share and net assets. None of the above standards or interpretations are expected to have a material impact.

2. Segmental information

Products and services from which reportable segments derive their revenues

For the purposes of management reporting to the chief operating decision maker, the Board of Directors, the Group is organised into two reportable operating divisions: mechanical engineering and refractory engineering. Financial information for each operating division is also available in a disaggregated form in line with the identified cash generating units. Segment assets and liabilities include items directly attributable to segments as well as those that can be allocated on a reasonable basis. In accordance with the requirements of IFRS 8 the Group's reportable segments, based on information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance are as follows:

- Mechanical Engineering – casting, machining and general engineering
- Refractory Engineering – powder manufacture and mineral processing

Information regarding the Group's operating segments is reported below. Associates are included in Refractory Engineering.

	Mechanical Engineering		**Refractory Engineering**		**Sub Total**	
Year ended 30th April	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
Revenue						
External sales	**99,044**	97,227	**31,784**	29,737	**130,828**	126,964
Inter-segment sales	**20,725**	22,407	**4,576**	4,588	**25,301**	26,995
Total revenue	**119,769**	119,634	**36,360**	34,325	**156,129**	153,959
Reconciliation to consolidated revenue:						
Inter-segment sales					**(25,301)**	(26,995)
Consolidated revenue for the year					**130,828**	126,964
Profits						
Segment result including associates	**19,290**	18,889	**3,763**	3,154	**23,053**	22,043
Group centre					**1,802**	(614)
Group finance expenses					**(760)**	(1,133)
Consolidated profit before tax for the year					**24,095**	20,296
Tax					**(4,448)**	(4,609)
Consolidated profit after tax for the year					**19,647**	15,687

2. Segmental information *(continued)*

Year ended 30th April	Segmental total assets 2014 £'000	Segmental total assets 2013 £'000	Segmental total liabilities 2014 £'000	Segmental total liabilities 2013 £'000	Segmental net assets 2014 £'000	Segmental net assets 2013 £'000
Segmental net assets						
Mechanical Engineering	**69,717**	66,047	**54,254**	50,339	**15,463**	15,708
Refractory Engineering	**24,399**	25,079	**11,482**	11,749	**12,917**	13,330
Sub total reportable segment ...	**94,116**	91,126	**65,736**	62,088	**28,380**	29,038
PLC net assets					**58,526**	43,214
Investments elimination/ Goodwill adjustments					**(8,869)**	(8,357)
Other consolidation adjustments ...					**(467)**	(1,368)
Consolidated total net assets ...					**77,570**	62,527

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Board of Directors monitors the tangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments with the exception of those held by the parent Company ('PLC') and those held as consolidation adjustments.

Geographical Segments

The Group operates in the following principal locations.

In presenting the information on geographical segments, revenue is based on the location of its customers and assets on the location of the assets.

	Year ended 30th April, 2014				Year ended 30th April, 2013			
	Revenue £'000	**Operational net assets £'000**	**Non current assets £'000**	**PPE Capital expenditure £'000**	Revenue £'000	Operational net assets £'000	Non current assets £'000	PPE Capital expenditure £'000
UK	**27,684**	**63,355**	**49,891**	**14,143**	26,865	47,952	38,815	8,116
Rest of Europe	**25,209**	**5,755**	**130**	**253**	21,456	4,909	555	62
USA	**16,541**	**–**	**–**	**–**	8,010	–	–	–
Pacific Basin	**36,225**	**7,522**	**1,038**	**217**	43,056	7,339	1,430	1,171
Rest of World	**25,169**	**938**	**4,864**	**866**	27,577	2,327	5,318	449
Total	**130,828**	**77,570**	**55,923**	**15,479**	126,964	62,527	46,118	9,798

3. Expenses and auditors' remuneration

Included in profit before taxation are the following:	**2014 £'000**	2013 £'000
Government grants received against associated R&D and training costs	**(1,411)**	(610)
Depreciation:		
Owned assets	**3,141**	2,587
Assets held under finance lease	**274**	205
Amortisation of intangible assets	**703**	738
Loss/(profit) on sale of property, plant and equipment	**13**	(20)
Operating lease rentals:		
Rental of premises	**420**	406
Short term plant hire	**165**	245
Research and development expensed as incurred	**1,839**	1,409
Impairment of trade receivables charged to the income statement	**244**	222
Foreign exchange (gains)/losses	**(322)**	1,170
Losses/(gains) on derivatives at fair value through the income statement	**642**	(894)
Fees receivable by the auditors and their associates in respect of:		
Audit of these financial statements	**54**	42
Audit of the financial statements of subsidiaries	**101**	86
Other audit related services	**2**	–

4. Staff numbers and costs

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

	Number of employees 2014	2013
Works personnel	**1,008**	965
Administration staff	**46**	45
	1,054	1,010

The aggregate payroll costs of these persons were as follows:	**2014 £'000**	2013 £'000
Wages and salaries	**32,320**	29,933
Social security costs	**3,649**	3,464
Other pension costs	**482**	25
	36,451	33,422

5. Financial expenses

	2014 £'000	2013 £'000
Interest expense on finance leases	**31**	19
Interest expense on bank loans and overdrafts	**814**	1,114
Capitalised interest on fixed asset projects	**(85)**	–
Financial expenses	**760**	1,133

6. Taxation

Recognised in the income statement	**2014 £'000**	2013 £'000
Current tax expense		
Current year	**5,241**	4,820
Adjustments for prior years	**(575)**	(94)
	4,666	4,726
Deferred tax expense		
Origination and reversal of temporary differences – current year	**(120)**	309
Origination and reversal of temporary differences – prior year adjustment	**183**	(426)
Origination and reversal of temporary differences – rate change to prior year	**(281)**	–
	(218)	(117)
Total tax expense	**4,448**	4,609

Reconciliation of effective tax rate	**2014 £'000**	2013 £'000
Profit before tax	**24,095**	20,296
Tax using the UK corporation tax rate of 22.84% *(2013: 23.92%)*	**5,503**	4,854
Non-deductible expenses	**84**	27
Over provision in prior years	**(392)**	(520)
Research and development tax credit	**(87)**	(40)
Patent box tax credit	**(776)**	–
Losses not utilised	**211**	–
Rate change to prior year	**(281)**	–
Witholding tax unrelieved	**43**	31
Differences in overseas tax rates	**203**	331
Associate companies tax	**(60)**	(74)
Total tax expense	**4,448**	4,609

The Group's total amount of taxes payable in respect of the year ending 30th April, 2014 comprising Corporation Tax, PAYE and National Insurance was £15 million.

Deferred tax recognised directly in equity

The following amounts are included in the consolidated statement of comprehensive income:

	2014 £'000	2013 £'000
Cash flow hedge deferred tax charge/(credit)	**522**	(149)

7. Earnings per share

The earnings per ordinary share has been calculated on profit for the year attributable to ordinary shareholders of £19,035,000 *(2013: £15,247,000)* and by reference to the 7,200,000 ordinary shares in issue throughout both years.

The Company has no share options or other diluting interests and accordingly, there is no difference in the calculation of diluted earnings per share.

8. Dividends

	2014 £'000	2013 £'000
Paid ordinary dividends during the year in respect of prior years 35.290p *(2013: 32.082p)* per qualifying ordinary share	**2,541**	2,310
Paid extraordinary dividends during the year in respect of prior years 17.645p *(2013: Nilp)* per qualifying ordinary share	**1,270**	–
	3,811	2,310

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors *(2013: Ordinary dividend of 35.290p, extraordinary dividend of 17.645p).*

The proposed current year ordinary dividend of £3,049,000 has not been provided for within these Financial Statements *(2013: Proposed ordinary dividend of £2,541,000 and proposed extraordinary dividend of £1,270,000 were not provided for within the comparative figures).*

9. Property, plant and equipment

	Land and buildings £'000	**Plant and equipment £'000**	**Fixtures and fittings £'000**	**Assets in course of construction £'000**	**Total £'000**
Cost					
At 1st May, 2012	12,515	33,692	2,058	1,863	50,128
Additions	2,390	3,520	515	3,373	9,798
Reclassification	1,877	–	–	(1,877)	–
Disposals	–	(349)	(37)	–	(386)
Exchange adjustment	129	213	15	14	371
At 30th April, 2013	16,911	37,076	2,551	3,373	59,911
At 1st May, 2013	16,911	37,076	2,551	3,373	59,911
Additions	6,756	7,569	427	727	15,479
Reclassification	874	2,499	–	(3,373)	–
Disposals	–	(140)	–	–	(140)
Exchange adjustment	(931)	(624)	(33)	–	(1,588)
At 30th April, 2014	23,610	46,380	2,945	727	73,662
Depreciation					
At 1st May, 2012	1,972	20,572	1,376	–	23,920
Charged in year	224	2,339	229	–	2,792
Disposals	–	(225)	(37)	–	(262)
Exchange adjustment	14	131	8	–	153
At 30th April, 2013	2,210	22,817	1,576	–	26,603
At 1st May, 2013	2,210	22,817	1,576	–	26,603
Charged in year	295	2,934	186	–	3,415
Disposals	–	(81)	–	–	(81)
Exchange adjustment	(54)	(302)	(15)	–	(371)
At 30th April, 2014	2,451	25,368	1,747	_	29,566
Net book value					
At 1st May, 2012	10,543	13,120	682	1,863	26,208
At 30th April, 2013 and 1st May, 2013... ...	14,701	14,259	975	3,373	33,308
At 30th April, 2014	**21,159**	**21,012**	**1,198**	**727**	**44,096**

Plant and machinery

At 30 April, 2014 the net carrying amount of leased plant and machinery was £1,561,000 *(2013: £1,479,000).* The leased equipment secures lease obligations (see note 17).

Assets in the course of construction of £727,000 *(2013: £3,373,000)* includes £165,000 of plant and equipment not commissioned at the year end *(2013: £2,467,000).*

Government grants related to tangible fixed assets

Additions to plant and equipment are after deducting grants receivable of £887,000 *(2013: £562,000).*

10. Intangible assets

	Goodwill £'000	Brand names £'000	Order book £'000	Distri-bution rights £'000	Manu-facturing rights £'000	Develop-ment costs £'000	Total £'000
Cost							
Balance at 1st May, 2012	8,370	5,212	168	632	978	201	15,561
Additions...	8	–	–	–	–	–	8
Disposal	–	–	–	(632)	–	–	(632)
Exchange adjustment...	169	129	6	–	–	–	304
Balance at 30th April, 2013	**8,547**	**5,341**	**174**	**–**	**978**	**201**	**15,241**
Additions...	45	–	–	–	–	–	45
Exchange adjustment...	(140)	(109)	(5)	–	–	–	(254)
Balance at 30th April, 2014	**8,452**	**5,232**	**169**	**–**	**978**	**201**	**15,032**
Amortisation							
Balance at 1st May, 2012	–	2,010	168	50	601	201	3,030
Amortisation for the year	–	593	–	25	120	–	738
Disposal	–	–	–	(75)	–	–	(75)
Exchange adjustment...	–	46	6	–	–	–	52
Balance at 30th April, 2013	**–**	**2,649**	**174**	**–**	**721**	**201**	**3,745**
Amortisation for the year	–	593	–	–	110	–	703
Exchange adjustment...	–	(45)	(5)	–	–	–	(50)
Balance at 30th April, 2014	**–**	**3,197**	**169**	**–**	**831**	**201**	**4,398**
Net book value							
At 1st May, 2012...	8,370	3,202	–	582	377	–	12,531
At 30th April, 2013	8,547	2,692	–	–	257	–	11,496
At 30th April, 2014	**8,452**	**2,035**	**–**	**–**	**147**	**–**	**10,634**

During the current year, the £45,000 of additions to goodwill relates to increased interest in Noreva GmbH by virtue of a minority dividend paid.

During the previous year, the Group disposed of the rights, that it acquired in the year ended 30 April, 2011, to distribute vermiculite from a Ugandan mine, with net book value at disposal of £557,000. The disposal resulted in nil profit/loss, with a cash receipt of £265,000 and £292,000 of adjustments to trading balances. The £8,000 of additions to goodwill relates to increased interest in Noreva GmbH by virtue of a minority dividend paid.

Amortisation charge

The amortisation charge of £703,000 *(2013: £738,000)* is recognised in cost of sales in the income statement.

10. Intangible assets *(continued)*

Impairment testing for cash generating units containing goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. For the purpose of impairment testing, goodwill is allocated to the relevant subsidiary which is the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are:

	2014 £'000	2013 £'000
Noreva GmbH	**4,397**	4,492
Goodwin Refractory Services Holdings Limited	**3,346**	3,346
Other	**709**	709
	8,452	8,547

An impairment test is a comparison of the carrying value of the assets of a cash generating unit ("CGU") to their recoverable amount, based on a value-in-use calculation. Recoverable amount is the greater of value-in-use and market value. Where the recoverable amount is less than the carrying value an impairment results. During the year each CGU containing goodwill was separately assessed and tested for impairment. No impairment of the carrying value of goodwill was indicated by this review.

As part of testing goodwill for impairment detailed forecasts of operating cash flows for the next five years are used, which are based on approved budgets and plans by the Board. The forecasts represent the best estimate of future performance of the CGU based on past performance and expectations for the market development of the CGU.

A number of key assumptions are used as part of impairment testing. These key assumptions, such as the CGU's position within its relevant market; its ability to generate profitable orders within that market; expected growth rates both in the market and geographically, are made by management who also take into account past experience and knowledge of forecast future performance together with other relevant external sources of information.

The forecast projections use growth rate forecasts of 15% *(2013: 15%)* extrapolated over the minimum expected life span of the unit. Projections beyond the 5 year detailed forecasts do not assume any growth. The forecasts are then discounted at appropriate rates considering the perceived levels of risk, ranging from 12%-15% *(2013: 12%-15%).*

The estimates and assumptions made in connection with the impairment testing could differ from future actual results of operations and cash flows. A reasonably likely variation in the assumptions would not give rise to an impairment. However, future events could cause the Group to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired.

11. Investments in subsidiaries and associates

The Group has the following principal subsidiaries and associates:

Subsidiaries	**Country of incorporation**	**Class of shares held**	**% held**
Mechanical Engineering:			
Goodwin Steel Castings Limited	Great Britain	Ordinary	**100**
Goodwin International Limited	Great Britain	Ordinary	**100**
Easat Antennas Limited	Great Britain	Ordinary	**97**
Goodwin Korea Co. Limited	South Korea	Ordinary	**95**
Goodwin Pumps India Private Limited	India	Ordinary	**80**
Goodwin Shanghai Co. Limited	China	Ordinary	**100**
Noreva GmbH	Germany	Ordinary	**87.5***
Goodwin (Shanxi) Pump Company Limited	China	Ordinary	**100**
Goodwin Valve and Pump Company Limited	Brazil	Ordinary	**100**
Internet Central Limited	Great Britain	Ordinary	**82.5**
JSR Technology Limited	Great Britain	Ordinary	**75**
Refractory Engineering:			
Dupré Minerals Limited	Great Britain	Ordinary/Preference	**100**
Goodwin Refractory Services Limited	Great Britain	Ordinary	**100**
Hoben International Limited	Great Britain	Ordinary	**100**
Gold Star Powders India Private Limited	India	Ordinary	**80**
Siam Casting Powders Limited	Thailand	Ordinary	**51**
Ultratec Jewelry Supplies Limited	China	Ordinary	**51**
SRS Guangzhou Limited	China	Ordinary	**51**
Gold Star Brazil Limited	Brazil	Ordinary	**51**
Associates			
Jewelry Plaster Limited	Thailand	Ordinary	**49**
Asian Industrial Investment Casting Powders Private Limited	India	Ordinary	**40**
Goodwin Tet Property Company Limited	Thailand	Ordinary	**49**

*Whilst Noreva is a 87.5% owned subsidiary the company has been treated as a 100% subsidiary by virtue of there being both put and call options in place for the remaining 12.5% of the share capital. A 3% non-controlling interest in Easat Antennas Limited was purchased during the year.

All of the above companies are included as part of the consolidated accounts and are involved in mechanical and refractory engineering.

The Group's share of profit after tax in its associates for the year ended 30 April, 2014 was £314,000 *(2013: £273,000).*

11. Investments in subsidiaries and associates *(continued)*

Summary financial information of Group share of associates was:

	2014 £'000	2013 £'000
Balance at 1st May	**1,314**	1,238
Profit before tax	**374**	347
Tax	**(60)**	(74)
Dividend	**(201)**	(308)
Exchange adjustment	**(234)**	111
Balance at 30th April	**1,193**	1,314

2014	**Assets £'000**	**Liabilities £'000**	**Revenues £'000**	**Share of Profit after Tax £'000**
Jewelry Plaster Limited	**1,007**	**163**	**1,082**	**287**
Goodwin Tet Property Company Limited	**837**	**492**	**122**	**42**
Asian Industrial Investment Casting Powders Private Limited	**4**	**–**	**18**	**(15)**
	1,848	**655**	**1,222**	**314**

2013	Assets £'000	Liabilities £'000	Revenues £'000	Share of Profit after Tax £'000
Jewelry Plaster Limited	1,163	231	1,068	255
Goodwin Tet Property Company Limited	1,061	695	130	27
Asian Industrial Investment Casting Powders Private Limited	16	–	16	(9)
	2,240	926	1,214	273

12. Warranty provision

	2014 £'000	2013 £'000
Balance at 1st May	**862**	1,225
Utilised	**–**	(695)
(Credited)/charged to the income statement	**(117)**	289
Exchange adjustment	**(26)**	43
Balance at 30th April	**719**	862
Warranty due within one year	**383**	378
Warranty due after one year	**336**	484
Balance at 30th April	**719**	862

Provisions for warranties primarily relate to products sold and generally covers a period of between 2 and 4 years.

13. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Property, plant and equipment	**–**	–	**2,133**	2,081
Derivative financial instruments	**–**	272	**280**	–
Intangible assets	**–**	–	**608**	772
Other temporary differences	**152**	–	**–**	–
	152	272	**3,021**	2,853

	2014 £'000	2013 £'000
Assets	**152**	272
Liabilities	**(3,021)**	(2,853)
	(2,869)	(2,581)

	Property plant & equipment £'000	Derivative financial instruments £'000	Intangible Assets £'000	Other temporary differences £'000	Total £'000
Balance at 1st May, 2012	**2,038**	**(84)**	**878**	**–**	**2,832**
Recognised in income	55	(39)	(133)	–	(117)
Recognised in equity	–	(149)	–	–	(149)
Exchange adjustment	(12)	–	27	–	15
Balance at 30th April, 2013	2,081	(272)	772	–	2,581
Recognised in income	48	30	(144)	(152)	(218)
Recognised in equity	–	522	–	–	522
Exchange adjustment	4	–	(20)	–	(16)
Balance at 30th April, 2014	2,133	280	608	(152)	2,869

Within the current and previous year, the Group has no material tax losses where a deferred tax asset has been recognised.

Within the UK 2013 Budget on the 20th March, 2013 it was announced that the UK corporation tax rate would reduce to 20% by 2015. A reduction in the UK corporation tax rate from 23% to 21% (effective from 1st April, 2014), and a further reduction to 20% (effective from 1st April, 2014) were substantively enacted on 2nd July, 2013. The deferred tax liability reported at 30th April, 2014 has been calculated based on the 20% tax rate substantively enacted at the balance sheet date.

14. Inventories

	2014 £'000	2013 £'000
Raw materials and consumables	**15,449**	16,172
Work in progress	**11,942**	12,549
Finished goods	**3,824**	3,112
	31,215	31,833

15. Trade and other receivables

	2014 £'000	2013 £'000
Trade receivables	**28,953**	30,870
Other receivables	**2,606**	3,035
Prepayments	**1,292**	1,048
	32,851	34,953

16. Cash and cash equivalents

	2014 £'000	2013 £'000
Cash and cash equivalents per balance sheet	**6,233**	5,514
Bank overdrafts	**–**	(77)
Cash and cash equivalents per cash flow statement	**6,233**	5,437

17. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing bank loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20.

	2014 £'000	2013 £'000
Non-current liabilities		
Finance lease liabilities	**566**	678
Bank loans and committed facilities	**6,919**	16,452
	7,485	17,130
Current liabilities		
Finance lease liabilities	**448**	381
Bank loans and committed facilities	**1,943**	1,521
	2,391	1,902

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2014			2013		
	Minimum lease payments £'000	**Interest £'000**	**Principal £'000**	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	**475**	**27**	**448**	404	23	381
Between one and five years	**595**	**29**	**566**	698	20	678
	1,070	**56**	**1,014**	1,102	43	1,059

18. Trade and other payables

	2014 £'000	2013 £'000
Current liabilities		
Trade payables	**17,152**	15,479
Non-trade payables and accrued expenses	**6,861**	7,203
Other taxation and social security costs	**2,558**	1,992
Payments received on account	**7,114**	5,320
	33,685	29,994
Deferred and contingent considerations on acquisitions	**500**	500

The deferred consideration at 30th April, 2014 and 30th April, 2013 of £500,000 relates to the acquisition of Noreva GmbH.

The liability for deferred consideration is calculated on the basis of payments being made at the earliest opportunity under the legal agreement.

19. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £'000	Translation reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 30th April, 2012	**720**	**830**	**(233)**	**43,720**	**45,037**	**3,671**	**48,708**
Total comprehensive income	–	893	(513)	15,247	15,627	670	16,297
Dividends paid	–	–	–	(2,310)	(2,310)	(168)	(2,478)
Balance at 30th April, 2013	**720**	**1,723**	**(746)**	**56,657**	**58,354**	**4,173**	**62,527**
Total comprehensive income	–	(1,732)	1,941	19,035	19,244	74	19,318
Purchase of non-controlling interest without a change in control	–	–	–	(197)	(197)	(44)	(241)
Dividends paid	–	–	–	(3,811)	(3,811)	(223)	(4,034)
Balance at 30th April, 2014	**720**	**(9)**	**1,195**	**71,684**	**73,590**	**3,980**	**77,570**

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions that have not yet occurred.

The aggregate deferred tax relating to items that are recognised in equity is a liability of £299,000 *(2013: asset of £223,000).*

Share capital	**2014 £'000**	2013 £'000
Authorised, allotted, called up and fully paid:		
7,200,000 ordinary shares of 10p each	**720**	720

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20. Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in market prices (interest rates, foreign exchange rates and commodity prices), credit risks, and liquidity. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the Group.

a) Credit risk

The Group's financial assets are cash and cash equivalents and trade and other receivables, the carrying amounts of which represent the Group's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade receivables, and is managed through the following processes:

i) The majority of orders accepted by Group companies are taken with credit insurance coverage.

ii) Some orders are accepted with no credit insurance but with letters of credit.

iii) Some orders are accepted with no credit insurance and no letter of credit but with an internal analysis of the customer's size, credit worthiness, historic profitability and payment record.

iv) A few orders (less than 10%) are taken at risk following review by more than two Board members.

v) Major orders are normally accompanied by stage payments which go towards mitigating our credit risk.

20. Financial risk management *(continued)*

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Carrying amount **2014** **£'000**	2013 £'000
Trade and other receivables	15	**31,559**	33,905
Cash at bank and cash equivalents	16	**6,233**	5,514
Derivative financial assets	20(e)	**2,517**	809
		40,309	40,228

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount **2014** **£'000**	2013 £'000
UK	**8,104**	5,972
Rest of Europe	**6,955**	4,854
USA	**2,114**	3,231
Pacific Basin	**6,445**	12,046
Rest of World	**5,335**	4,767
	28,953	30,870

The ageing of trade receivables and impairments at the reporting date were:

	Net 2014 £'000	**Gross 2014 £'000**	**Impairment provision 2014 £'000**	Net 2013 £'000	Gross 2013 £'000	Impairment provision 2013 £'000
Not past due	**18,912**	**18,912**	**–**	21,272	21,272	–
Past due 1-30 days	**5,834**	**5,834**	**–**	3,762	3,762	–
Past due 31-90 days	**2,819**	**2,819**	**–**	4,036	4,036	–
Past due more than 90 days	**1,388**	**2,185**	**(797)**	1,800	2,430	(630)
	28,953	**29,750**	**(797)**	30,870	31,500	(630)

There are no significant credit risks arising from the above assets and management believes the credit quality of customers is good based on a review of past payment history and the current financial status of the customers. Included in trade receivables are retentions which are job specific and have varying due dates depending on the complexity of the job. These are included in the not past due category. The Group has not renegotiated the terms of any trade receivables and has not pledged any trade receivables as security.

The Directors estimate that the fair value of the Group's trade and other receivables is approximate to their carrying values.

An analysis of the provision for impairment of receivables is as follows:	**2014 £'000**	2013 £'000
At beginning of year	**630**	431
Exchange adjustment	**(34)**	–
Impairment charged through the income statement	**244**	222
Impairment provision utilised during the year	**(43)**	(23)
At end of year	**797**	630

20. Financial risk management *(continued)*

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

At the year end the Group had the following unutilised bank facilities in respect of which all conditions precedent had been met:

	Uncommitted		**Committed**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Unutilised bank facilities ...	**22,346**	20,715	**15,000**	750	**37,346**	21,465

The Group's principal borrowing facilities are provided by 3 banks in the form of borrowings and short term overdraft facilities. The quantum of borrowing facilities available to the Group is reviewed regularly in light of current working capital requirements and the need for capital investment for the long term future for the Group.

Maturity analysis

The table below analyses the Group's financial liabilities into maturity groupings based on the period outstanding at the balance sheet date up to the contractual maturity date. All figures are contracted gross cashflows that have not been discounted.

	2014 Contractual cash flows			**Carrying value 2014**
	Within 1 year £'000	**1-5 years £'000**	**Total £'000**	**Total £'000**
Non-derivative financial liabilities				
Bank loans and committed facilities	**2,000**	**7,000**	**9,000**	**8,862**
Finance leases	**475**	**595**	**1,070**	**1,014**
Trade and other payables	**33,685**	**–**	**33,685**	**33,685**
Deferred considerations on acquisitions	**500**	**–**	**500**	**500**
Total	**36,660**	**7,595**	**44,255**	**44,061**

	2013 Contractual cash flows			Carrying value 2013
	Within 1 year £'000	1-5 years £'000	Total £'000	Total £'000
Non-derivative financial liabilities				
Overdrafts	77	–	77	77
Bank loans and committed facilities	1,550	16,480	18,030	17,973
Finance leases	404	698	1,102	1,059
Trade and other payables	29,994	–	29,994	29,994
Deferred consideration on acquisition	500	–	500	500
Total	32,525	17,178	49,703	49,603

20. Financial risk management *(continued)*

c) Market risk

Foreign exchange risk

The Group is subject to fluctuations in exchange rates on its net investments overseas and transactional monetary assets and liabilities not denominated in the operating (or "functional") currency of the operating unit involved.

The Group is exposed to fluctuations in several currencies which give rise to the net currency gains and losses recognised in the income statement.

The Group at its discretion is empowered to hedge its estimated annual foreign currency exposure in respect of forecast sales and purchases if the Board deems it appropriate after having taken into account the expected movement in the foreign exchange rates. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the foreign exchange contracts have maturities of less than one year after the balance sheet date. Where necessary, the forward exchange contracts are rolled over at maturity.

In respect of other monetary assets and liabilities held in currencies, the Group ensures that the net exposure is eliminated through the use of forward exchange contracts or spot transactions at the time the contractual commitment is in place.

Currency profile of financial assets and liabilities

	2014 US Dollar £'000	2013 US Dollar £'000	**2014 Euro £'000**	2013 Euro £'000	**2014 Other £'000**	2013 Other £'000	**2014 Total £'000**	2013 Total £'000
Trade and other receivables	**9,691**	11,652	**3,549**	1,581	**–**	–	**13,240**	13,233
Cash and cash equivalents	**952**	420	**365**	44	**–**	3	**1,317**	467
Trade and other payables	**(243)**	(69)	**(3,369)**	(1,891)	**(5,964)**	(4,693)	**(9,576)**	(6,653)
	10,400	12,003	**545**	(266)	**(5,964)**	(4,690)	**4,981**	7,047

The following significant exchange rates applied during the year:

	Average Exchange rate		**Reporting date spot rate**	
	2014	2013	**2014**	2013
US Dollar	**1.6016**	1.5750	**1.6886**	1.5532
Euro	**1.2097**	1.1938	**1.2180**	1.1795

20. Financial risk management *(continued)*

c) Market risk *(continued)*

Interest rate risk

The Group is subject to fluctuations in interest rates on its borrowings and surplus cash. The Group is aware of the financial products available to ensure against adverse movements in interest rates. Formal reviews are undertaken to determine whether such instruments are appropriate for the Group. During the year, no new interest rate swaps or caps were entered into.

The Group has taken out in previous years £5 million of interest rate protection in the form of swaps which expire in October, 2016.

The table below shows the Group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

	Fixed rate		**Floating rate**		**Non-interest bearing**		**Total**	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
Cash and cash equivalents	**–**	–	**6,233**	5,514	**–**	–	**6,233**	5,514
Trade and other receivables	**–**	–	**–**	–	**35,368**	35,762	**35,368**	35,762
Trade and other payables	**–**	–	**–**	–	**(37,662)**	(34,148)	**(37,662)**	(34,148)
Bank overdrafts	**–**	–	**–**	(77)	**–**	–	**–**	(77)
Bank loans and committed facilities	**–**	–	**(8,862)**	(17,973)	**–**	–	**(8,862)**	(17,973)
Finance lease liabilities	**(306)**	–	**(708)**	(1,059)	**–**	–	**(1,014)**	(1,059)
	(306)	–	**(3,337)**	(13,595)	**(2,294)**	1,614	**(5,937)**	(11,981)

Other receivables and other payables include derivatives.

d) Capital management

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Board maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Operations are funded through various shareholder's funds, bank debt, finance leases and, where appropriate, deferred consideration on acquisitions. The capital structure of the Group reflects the judgement of the Board as to the appropriate balance of funding required. At 30th April, 2014, the capital used was £77.7 million, *(2013: £72.4 million)* as shown in the following table:

	2014 £'000	2013 £'000
Cash and cash equivalents	**(6,233)**	(5,514)
Bank overdrafts	**–**	77
Finance leases	**1,014**	1,059
Bank loans and committed facilities	**8,862**	17,973
Deferred consideration	**500**	500
Net debt	**4,143**	14,095
Total equity attributable to equity holders of the parent ...	**73,590**	58,354
Capital	**77,733**	72,449

The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group's strategy is to target a debt to equity ratio below 30%, adjusted where appropriate for the effect of acquisitions. At 30th April, 2014 net debt was £4.1 million *(2013: £14.1 million).* The net debt and debt/equity ratio is expected to increase during the coming year as the approved capital projects are financed.

The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

Working capital is managed in order to generate maximum conversion of profits into cash and cash equivalents. Dividends are paid from current year profits, thereby maintaining equity.

The policy for debt is to ensure a smooth debt maturity profile with the objective of ensuring continuity of funding. The repayment profile for the debt is shown in note 20(b).

There were no changes in the Group's approach to capital management during the year.

20. Financial risk management *(continued)*

d) Capital management *(continued)*

Currency derivatives

The Group utilises currency derivatives to hedge future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures.

Forecast transactions

The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

The nominal value of forward exchange contracts used as hedges of forecast transactions at 30th April, 2014, in sterling terms, was £38.9 million spread across USD, EUR, INR and JPY denominated contracts. The fair value of these at 30th April, 2014 was an asset of £1,977,000 (being assets totalling £2,444,000, and liabilities totalling £467,000). The Group also has a number of forward contracts not designated as cash flow hedges, and therefore recorded at fair value through the income statement. The nominal value of these contracts at 30th April, 2014, in sterling terms, was £12.7 million spread across USD, EUR, and INR denominated contracts. The fair value of these at 30th April, 2014 was a liability of £95,000 (being assets totalling £73,000, and liabilities totalling £168,000).

The nominal value of forward exchange contracts used as hedges of forecast transactions at 30th April, 2013, in sterling terms, was £35.1 million spread across USD and EUR denominated contracts. The fair value of these at 30th April, 2013 was a liability of £192,000 (being assets totalling £78,000, and liabilities totalling £270,000). The Group also has a number of forward contracts not designated as cash flow hedges, and therefore recorded at fair value through the income statement. The nominal value of these contracts at 30th April, 2013, in sterling terms, was £30.9 million spread across USD, EUR and INR denominated contracts. The fair value of these at 30th April, 2013 was an asset of £547,000 (being assets totalling £731,000, and liabilities totalling £184,000).

Recognised assets and liabilities

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of administrative expenses.

Interest rate swaps

The Group uses interest rate swaps contracts to manage its exposure to interest rate movements on its bank borrowings. The nominal value of these contracts at the year end was £5 million *(2013: £5 million).*

The fair value of swaps entered into at 30th April, 2014 was estimated at £484,000 liability *(2013: £777,000 liability).* Of these swaps, the fair value of those designated as cash flow hedges at 30th April, 2014 was £484,000 liability *(2013: £777,000 liability).*

Derivative financial instruments

For cash flow hedges the following table sets out the periods when the cash flows are expected to occur and when they are expected to affect profit or loss:

	2014				
	Periods in which cash flows and profits are expected to occur				
	Carrying amount £'000	**Expected cash flow £'000**	**Within 1 year £'000**	**Between 1 and 5 years £'000**	**Over 5 years £'000**
Forward exchange contracts					
Assets	**2,444**	**2,444**	**2,444**	**–**	**–**
Liabilities	**(467)**	**(467)**	**(467)**	**–**	**–**
Interest rate swaps					
Liabilities	**(484)**	**(484)**	**(199)**	**(285)**	**–**
	1,493	**1,493**	**1,778**	**(285)**	**–**

	2013				
	Periods in which cash flows and profits are expected to occur				
	Carrying amount £'000	Expected cash flow £'000	Within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000
Forward exchange contracts					
Assets	78	78	78	–	–
Liabilities	(270)	(270)	(270)	–	–
Interest rate swaps					
Liabilities	(777)	(777)	(227)	(550)	–
	(969)	(969)	419	(550)	–

20. Financial risk management *(continued)*

d) Capital management *(continued)*

Derivative financial instruments *(continued)*

Sensitivity analysis

The Group has calculated the following sensitivities based on available data from forward contract markets for the principal foreign currencies in which the Group operates. Given recent fluctuations in rates, it is deemed sensible to provide the quantum for a 1% change in rates to aid understanding. These figures can be extrapolated proportionately to obtain an estimate of the impact of large movements.

	2014 £'000	2013 £'000
Impact on equity	**(Profit)/loss**	(Profit)/loss
1% increase in US Dollar fx rate against pound sterling	**(414)**	(312)
1% increase in Euro fx rate against pound sterling	**–**	(43)
1% increase in India Rupee fx rate against pound sterling	**64**	–
1% increase in Japan Yen fx rate against pound sterling	**15**	–
1% decrease in US Dollar fx rate against pound sterling	**414**	312
1% decrease in Euro fx rate against pound sterling	**–**	43
1% decrease in India Rupee fx rate against pound sterling	**(64)**	–
1% decrease in Japan Yen fx rate against pound sterling	**(15)**	–
Impact on the income statement		
1% increase in US Dollar fx rate against pound sterling	**(85)**	(160)
1% increase in India Rupee fx rate against pound sterling	**7**	36
1% increase in Euro fx rate against pound sterling	**(37)**	(120)
1% decrease in US Dollar fx rate against pound sterling	**85**	160
1% decrease in India Rupee fx rate against pound sterling	**(7)**	(36)
1% decrease in Euro fx rate against pound sterling	**37**	120

The Group has calculated the following sensitivities based on available data from forward markets for fixed and floating interest rates. Management believe that these reflect the most probable rate movements.

	2014 £'000	2013 £'000
Impact on equity		
1% increase in base rate of interest	**(124)**	(248)
Impact on profit or loss		
1% increase in base rate of interest	**–**	–

e) Total financial assets and liabilities

The table below sets out the Group's accounting classification of each class of financial assets and liabilities, and their fair values at 30th April, 2014 and 30th April, 2013.

	30th April, 2014		30th April, 2013	
	Carrying amount £'000	**Fair value £'000**	Carrying amount £'000	Fair value £'000
Financial assets				
Cash and cash equivalents	**6,233**	**6,233**	5,514	5,514
Receivables				
Trade receivables	**28,953**	**28,953**	30,870	30,870
Other receivables	**2,606**	**2,606**	3,035	3,035
At fair value through the income statement				
Derivative financial assets not designated in a cash flow hedge relationship	**73**	**73**	731	731
Designated cash flow hedge relationships				
Derivative financial assets designated and effective as cash flow hedging instruments	**2,444**	**2,444**	78	78
Total financial assets	**40,309**	**40,309**	40,228	40,228

20. Financial risk management *(continued)*

e) Total financial assets and liabilities *(continued)*

Financial liabilities

Financial liabilities at amortised cost

	30th April, 2014		30th April, 2013	
	Carrying amount £'000	**Fair value £'000**	Carrying amount £'000	Fair value £'000
Bank overdraft	**–**	**–**	77	77
Trade payables	**17,152**	**17,152**	15,479	15,479
Other payables	**9,419**	**9,419**	9,195	9,195
Deferred consideration	**500**	**500**	500	500
Finance lease liabilities	**1,014**	**1,014**	1,059	1,059
Bank loans and committed facilities	**8,862**	**8,862**	17,973	17,973
Corporation tax	**2,358**	**2,358**	2,423	2,423
At fair value through the income statement				
Derivative financial liabilities not designated in a cash flow hedge relationship	**168**	**168**	184	184
Designated cash flow hedge relationships				
Derivative financial liabilities designated and effective as cash flow hedging instruments	**951**	**951**	1,047	1,047
Total financial liabilities	**40,424**	**40,424**	47,937	47,937

Derivative financial assets and liabilities fair values in the above table are derived using Level 2 inputs as defined by IFRS 7 as detailed in the paragraph below. All other financial assets and liabilities fair values are determined using Level 3 inputs.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Under IAS 39, all derivative financial instruments not in a hedge relationship are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are underpinned by firm orders from customers or to suppliers or where there is a high degree of certainty that orders will be received.

For short term cash and cash equivalents, trade and other receivables, trade and other payables and floating rate borrowings, the fair values are the same as carrying value. For fixed rate borrowings, forward currency contracts and interest rate instruments fair values have been calculated by discounting the cash flows at prevailing appropriate market rates. Other assets reflect management's estimate of value on an appropriate basis.

21. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings £'000	**Other £'000**	**Total 2014 £'000**	Total 2013 £'000
Less than one year	**236**	**46**	**282**	352
Between one and five years	**413**	**112**	**525**	422
	649	**158**	**807**	774

22. Capital commitments

Contracted capital commitments at 30th April, 2014 for which no provision has been made in these financial statements were £4,004,000 *(2013: £6,005,000).* As at the year end, the Board had approved a further £45,000 *(2013: £5,821,000)* of capital expenditure, which has not yet been contracted for, and for which no provision has been made in these financial statements.

23. Guarantees and contingencies

Year ended	Total £'000	Number of contracts
30th April, 2014	**15,234**	**428**
30th April, 2013	13,636	383

The Group has issued bank backed guarantee and bond commitments principally in order to secure its contracts.

24. Subsequent events

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors *(2013: Ordinary dividend of 35.290p and extraordinary dividend of 17.654p).*

The current year proposed ordinary dividend of £3,049,000 has not been provided for within these Financial Statements *(2013: Proposed ordinary dividend of £2,541,000 and extraordinary dividend of £1,270,000 were not provided for within the comparative figures).*

Also, after the balance sheet date, the Board of Directors have approved further capital expenditure of £8.7 million.

25. Accounting estimates and judgements

(a) Recoverability of assets / impairment calculations

The Group's Directors review the appropriateness of the carrying values of its non-current and current assets.

With regards to the non-current assets, the Directors are of the opinion that the goodwill at the year end remains unimpaired as the underlying performance of the subsidiaries giving rise to this goodwill is sufficiently profitable to merit no impairment.

With regard to plant and equipment, the Directors consider that the depreciation rates applied are sufficient, taking into account both the expected lifespan of the plant and equipment and also the demand in the marketplace for the goods that the plant produces.

With regard to current assets, the Directors look at the carrying values as stated in the balance sheet and make full provision for any assets on which there is a high degree of probability that full conversion of such assets into cash is unlikely.

(b) Derivatives

As stated in note 1, under derivative financial instruments and hedging, the Group has applied the provisions of IAS 39 with respect to hedge accounting for its effective cash flow hedging on foreign exchange transactions. For the most part, the hedges are underpinned by firm orders and any balances justified by forecast activities are within the Group's normal order inputs in these currencies. In addition to the foreign exchange hedging the Group also adopts cash flow hedging for its interest rate swap derivative.

(c) Acquisitions

Note 10 contains information about intangible assets recognised on acquisition. These primarily relate to existing contracts, brand names and customer lists and goodwill acquired as a result of company acquisitions. In determining the fair value of assets acquired under business combinations, including the valuation of other intangibles and goodwill, a number of estimates are made. These estimates include the expected life spans of the products underpinning the intangible assets together with the returns expected and the risk attaching to those returns.

(d) Deferred taxation

Deferred taxation has been estimated using the best information available, including seeking the opinions of independent experts when applicable. Deferred taxation at the balance sheet date has been provided at a rate of 20% *(2013: 23%).*

(e) Warranties

The mechanical engineering segment of the Group operates within capital goods markets. Typically some of these goods are sold with warranties. The Group's Directors review the need for provisions that may be required for any rework and provisions are made in the accounts as deemed appropriate.

GOODWIN PLC

COMPANY BALANCE SHEET

At 30th April, 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Intangible assets	C4	524	780
Tangible assets	C5	29,152	17,934
Investments	C6	17,112	17,518
		46,788	36,232
CURRENT ASSETS			
Debtors	C7	31,008	28,089
Cash at bank and in hand		2,568	1,686
		33,576	29,775
CREDITORS: amounts falling due within one year	C8	(14,052)	(5,752)
NET CURRENT ASSETS		19,524	24,023
TOTAL ASSETS LESS CURRENT LIABILITIES		66,312	60,255
CREDITORS: amounts falling due after more than one year	C9	(7,174)	(16,776)
PROVISIONS FOR LIABILITIES	C10	(612)	(265)
NET ASSETS		58,526	43,214
CAPITAL AND RESERVES			
Called up share capital	C11	720	720
Hedge reserve	C12	(387)	(598)
Profit and loss account	C12	58,193	43,092
TOTAL SHAREHOLDERS' FUNDS		58,526	43,214

These financial statements were approved by the board of Directors on 25th July, 2014 and signed on its behalf by:

J. W. GOODWIN
Director

R. S. GOODWIN
Director

Company Registration Number: 305907

C1 UK GAAP accounting policies

Principal accounting policies

The Company has elected to prepare its financial statements under UK GAAP.

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

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules, except for derivatives which are valued at fair value, and in accordance with applicable Accounting Standards.

The Company is exempt under S408(3) Companies Act 2006 from the requirement to present its own profit and loss account.

In accordance with FRS 1, the Company is exempt from preparing its own cash flow statement. In accordance with FRS 8 "Related parties", the Company is exempt from disclosing transactions with its subsidiaries.

The Company has adopted the requirements of FRS 29 and has taken the exemption under that standard from disclosure on the grounds that the Group financial statements contain disclosures in compliance with IFRS 7.

Investment in subsidiary undertakings

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off for impairment.

Foreign currencies

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

Intangible fixed assets and amortisation

Manufacturing rights, brand names and customer lists purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of between 6 and 15 years.

Tangible fixed assets and depreciation

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

Freehold land	Nil
Freehold buildings	2% on cost
Plant and machinery	10% to 25% on reducing balance or 25% on cost
Motor vehicles...	15% or 25% on reducing balance
Fixtures and fittings	25% on reducing balance

Assets in the course of construction are not depreciated.

Government grants on fixed assets

Government grants relating to fixed assets are recognised in the balance sheet as an accrual, and are released into the profit and loss account pro-rata to the depreciation on the associated fixed asset.

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. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

The Company does not make a deferred tax provision for the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries. No liability has been recognised in respect of these differences both on the grounds of materiality and because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Temporary differences arising in connection with interests in associates and joint ventures are insignificant.

Leasing

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life, or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Financial Instruments

The Company uses financial instruments to manage financial risks associated with the Group's underlying business activities and the financing of those business activities. The Company does not undertake any trading in financial instruments.

Derivatives are initially recognised at fair value on the date that the contract is entered into and subsequently re-measured in future periods at their fair value. The method of recognising the resulting change in fair value is dependent on whether the derivative is designated as a hedging instrument.

The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swaps at the balance sheet date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

C2 Profit for the financial year

The Company's profit for the financial year was £18,912,000 *(2013: £13,682,000).*

Included in profit before taxation are the following:

	2014	2013
Fees receivable by the auditors and their associates in respect of:	**£'000**	£'000
Audit of these financial statements	**16**	16

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis (see note 3 of the Group accounts).

C3 Directors' costs

Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 17 to 19.

C4 Intangible fixed assets

	Brand Name and customer list £'000	**Manufacturing rights £'000**	**Intellectual Property Rights and Non-Compete £'000**	**Total £'000**
Cost				
At beginning and end of year ...	880	827	594	2,301
Amortisation				
At beginning of year	706	312	503	1,521
Charged in year	110	55	91	256
At end of year	816	367	594	1,777
Net book value				
At 30th April, 2014	**64**	**460**	**–**	**524**
At 30th April, 2013	174	515	91	780

The brand name and customer list reflects the purchase of an intangible asset to assist an existing manufacturing process at one of the Group's subsidiaries. The manufacturing rights brought forward reflect the payment in a previous period for an irrevocable licence for the Goodwin Group to manufacture the Noreva range of nozzle check valves in the UK. These rights will be amortised over 15 years in line with the expected life of the asset with appropriate royalties being charged to the UK subsidiary carrying on the manufacturing of the valves. The intangible asset, being in effect an inter company transaction, does not feature in the Group accounts as an intangible asset.

C5 Tangible fixed assets

	Freehold land and buildings £'000	**Plant and machinery £'000**	**Fixtures and fittings £'000**	**Assets in course of construction £'000**	**Total £'000**
Cost					
At beginning of year	11,717	9,526	1,717	3,270	26,230
Additions	6,899	4,479	71	727	12,176
Transfer	906	2,364	–	(3,270)	–
At end of year	19,522	16,369	1,788	727	38,406
Depreciation					
At beginning of year	1,781	5,344	1,171	–	8,296
Charge for year	99	746	113	–	958
At end of year	1,880	6,090	1,284	–	9,254
Net book value					
At 30th April, 2014	**17,642**	**10,279**	**504**	**727**	**29,152**
At 30th April, 2013	9,936	4,182	546	3,270	17,934

C6 Fixed asset investments

	Shares in associated undertakings	Shares in Group undertakings
	£'000	£'000
Cost and net book value		
At beginning of year	277	17,241
Additions	–	242
Transfer to Group company	–	(648)
At end of year	**277**	**16,835**

During the year, the Company invested £242,000 in Group undertakings, mainly being £241,000 in Easat Antennas Limited, and transferred its investment in Sandersfire International Limited to Hoben International Limited.

A list of principal subsidiaries is given in note 11 of the Group accounts.

C7 Debtors

	2014 £'000	2013 £'000
Amounts owed by Group undertakings	**29,227**	27,315
Other debtors	**–**	395
Derivative valuations	**1,645**	268
Prepayments and accrued income	**136**	111
	31,008	28,089

C8 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and overdrafts	**1,943**	87
Amounts owed to Group undertakings	**6,151**	2,072
Finance lease liabilities	**353**	353
Other taxation and social security	**229**	280
Derivative valuations	**484**	953
Intra-Group derivatives	**1,645**	92
Deferred consideration on acquisitions	**500**	500
Accruals and deferred income	**2,747**	1,381
Corporation tax	**–**	34
	14,052	5,752

C9 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Bank loans	**6,919**	16,168
Finance lease liabilities	**255**	608
	7,174	16,776

C10 Provisions for liabilities

	2014 £'000
Deferred taxation	
At beginning of year	265
Debit to the profit and loss for the year	266
Debit to the hedging reserve for the year	81
At end of year	**612**

The elements of deferred taxation are as follows:

	2014 £'000	2013 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**709**	644
Taxation on derivative financial instruments	**(97)**	(379)
	612	265

C11 Called up share capital

	2014 £'000	2013 £'000
Authorised, allotted, called up and fully paid:		
7,200,000 ordinary shares of 10p each	**720**	720

C12 Share capital and reserves

Reconciliation of movement in capital and reserves.

	Share capital £'000	**Hedge reserve £'000**	**Profit and loss account £'000**	**2014 Total £'000**	2013 Total £'000
At beginning of year	**720**	**(598)**	**43,092**	**43,214**	31,832
Profit for the year	**–**	**211**	**18,912**	**19,123**	13,692
Dividends	**–**	**–**	**(3,811)**	**(3,811)**	(2,310)
At end of year	**720**	**(387)**	**58,193**	**58,526**	43,214

C13 Contingent liabilities

The Company is jointly and severally liable for value added tax due by other members of the Group amounting to £Nil *(2013: £Nil).*

C14 Commitments

Contracted capital commitments at 30th April, 2014 for which no provision has been made in these financial statements were £4,004,000 *(2013: £6,005,000).*

C15 Subsequent events

Apart from the dividends declared (see note C16), and further capital expenditure of £5.5 million approved by the Directors, no significant events have occurred after the balance sheet date.

C16 Dividends

	2014 £'000	2013 £'000
Paid ordinary dividends during the year in respect of prior year 35.290p *(2013: 32.082p)* per qualifying ordinary share	**2,541**	2,310
Paid extraordinary dividends during the year in respect of prior year 17.645p *(2013: Nilp)* per qualifying ordinary share	**1,270**	–
	3,811	2,310

After the balance sheet date an ordinary dividend of 42.348p per qualifying ordinary share was proposed by the Directors *(2013: Ordinary dividend of 35.290p, extraordinary dividend of 17.645p).*

The proposed current year ordinary dividend of £3,049,000 has not been provided for within these Financial Statements *(2013: Proposed ordinary dividend of £2,541,000 and extraordinary dividend of £1,270,000 not provided for).*

Continuing operations	2010 £'000	2011 £'000	2012 £'000	2013 £'000	**2014** **£'000**
Revenue...	92,996	92,908	107,911	126,964	**130,828**
Profit before tax taxation	13,311	8,148	12,273	20,296	**24,095**
Tax on profit	(3,980)	(3,904)	(2,938)	(4,609)	**(4,448)**
Profit after taxation	9,331	4,244	9,335	15,687	**19,647**
Basic and diluted earnings per ordinary share ...	118.15p	50.89p	124.33p	211.76p	**264.38p**
Total equity	41,307	45,662	48,708	62,527	**77,570**