

GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT

INTERIM REPORT
31st OCTOBER 2014

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

CHAIRMAN'S STATEMENT

I am pleased to report that the pre-tax profit for the Group for the first six month period ending 31st October 2014 was £13,450,000 (2013: £12,280,000), an increase of 9.5% from a revenue of £72,970,000.

As was indicated in the full year annual statement, we have in the first half of this new year seen a continued fall off of activity in the oil and gas industry associated with lower oil barrel prices and the reduced investment by the major oil and gas companies. We started this new financial year with a record work load of £101 million, but this has steadily been decreasing as the order input fell behind our sales output. This decreasing workload will make it likely that the performance in the second half of this financial year and next year will not be as good as the first half of this financial year.

Our investment in additional machinery in Goodwin International is starting to provide benefits and allowing us to diversify into markets other than oil and gas such as the UK defence industry. The Refractory Division both in the UK and in our six overseas plants has continued to grow revenue and profits which will likely continue to grow in the coming years.

Our business model and strategy are stated on page 5 of the 30th April 2014 annual accounts, and our activities and products are detailed on our website www.goodwin.co.uk/2014 and on the subsidiary websites such as Goodwin International Ltd www.goodwininternational.co.uk. Our commitment remains to invest in engineering, be it mechanical or refractory, where we strive to supply technically advanced products to growth markets.

In the first half year the Company acquired our Indian partners' 20% equity in Goodwin Pumps India and Gold Star Powders India and these two subsidiaries are now 100% owned by Goodwin PLC.

J. W. Goodwin
Chairman

18th December 2014

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Management report

The turnover for the first six months of this new financial year increased slightly by 2.4%. The pre-tax profit has increased by 9.5% in the first half of the financial year but, with the reduced level of order input from the oil and gas industry markets, this increase is unlikely to be maintained in the second half year. The Refractory Engineering business side of the Company continues to increase activity and sales.

By the financial year end, just prior to the UK elections, we hope to win more project engineering business for both the foundry and machine shop from both civil markets and UK defence markets that will allow us to take advantage of our recent substantial investment in large CNC machine tools.

Financial Highlights

	Unaudited Half Year to 31st October 2014 £'m	Unaudited Half Year to 31st October 2013 £'m	Audited Year Ended 30th April 2014 £'m
Consolidated Results			
Sales revenue	73.0	71.3	130.8
Operating profit	13.7	12.5	24.5
Profit before tax	13.5	12.3	24.1
Profit after tax	10.5	9.8	19.6
Capital Expenditure	6.9	8.0	15.5
Earnings per share (Basic and Diluted)	141.47p	131.28p	264.38p

Turnover

Sales revenue of £72,970,000 for the half year represents a 2.4% increase over the £71,264,000 achieved during the same period last year.

Profit Before Tax

Profit before tax for the six months of £13,450,000 is up 9.5% from the £12,280,000 achieved for the same six month period last year.

Risks and Uncertainties

The Group, mainly through its centralised management structure, makes best endeavours to have in place internal control procedures to identify and manage the key risks and uncertainties affecting the Group. We would refer you to page 6 of the Group annual accounts to 30th April 2014 which describes the principal risks and uncertainties, and to note 20 (page 43) which describes in detail the key financial risks and uncertainties affecting the business such as credit risk and foreign exchange risk. The risks remain unchanged at the end of October 2014.

Judging the future relationship of the major currency pairs of the US Dollar, Sterling and the Euro continues to be a challenge but it is likely that we will see continued strengthening of the US Dollar, which should aid our competitiveness in many of our markets.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Management report *(continued)*

Report on Expected Developments

This report describes the expected developments of the Group during the year ended 30th April 2015. The report may contain forward-looking 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.

2015/16 Outlook

Whilst currently it is declining, we still have a good order book backlog in most of our companies. Time will tell whether we can find satisfactory levels of work to fill the gap temporarily caused by the slow down in the oil and gas industry which we think will be quieter for a couple of years.

Going concern

The cash flow has deteriorated since the start of the financial year, in part due to the level of capital expenditure and also due to the current higher levels of debtors and work in progress. We expect to see an improvement in the cash flow position by the financial year end.

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.

Responsibility statement of the Directors in respect of the half-yearly financial report

The Directors confirm to the best of their knowledge that 1) this condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that 2) the Interim Management Report and condensed financial statements include a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year) and 4.2.8R (being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so).

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Condensed consolidated income statement for the half year to 31st October 2014

	Unaudited Half Year to 31st October 2014 £'000	Unaudited Half Year to 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000
Continuing operations			
Revenue	72,970	71,264	130,828
Cost of sales	(48,974)	(48,806)	(86,010)
Gross profit	23,996	22,458	44,818
Distribution expenses	(1,628)	(1,823)	(3,783)
Administrative expenses	(8,697)	(8,104)	(16,494)
Operating profit	13,671	12,531	24,541
Financial expenses	(335)	(395)	(760)
Share of profit of associate companies	114	144	314
Profit before taxation	13,450	12,280	24,095
Tax on profit	(2,907)	(2,488)	(4,448)
Profit after taxation	10,543	9,792	19,647
Attributable to:			
Equity holders of the parent	10,186	9,452	19,035
Non-controlling interests	357	340	612
Profit for the period	10,543	9,792	19,647
Basic and diluted earnings per ordinary share	141.47p	131.28p	264.38p

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Condensed consolidated statement of comprehensive income for the half year to 31st October 2014

	Unaudited Half Year to 31st October 2014 £'000	Unaudited Half Year to 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000
Profit for the period	10,543	9,792	19,647
Other comprehensive (expense) / income			
Items that are or may be reclassified subsequently to the income statement			
Foreign exchange translation differences	(120)	(1,111)	(2,270)
Effective portion of changes in fair value of cash flow hedges	(167)	1,742	2,245
Change in fair value of cash flow hedges transferred to the income statement	(2,283)	256	218
Tax on items that are or may be reclassified subsequently to the income statement	490	(429)	(522)
Other comprehensive (expense) / income for the period, net of income tax	(2,080)	458	(329)
Total comprehensive income for the period	8,463	10,250	19,318
Attributable to:			
Equity holders of the parent	7,943	10,191	19,244
Non-controlling interests	520	59	74
	8,463	10,250	19,318

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Condensed consolidated statement of changes in equity for the half year to 31st October 2014

	Share capital £'000	Translation 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
Half year to 31st October 2014 (Unaudited)							
Balance at 1st May 2014	720	(9)	1,195	71,684	73,590	3,980	77,570
Total comprehensive income:							
Profit	-	-	-	10,186	10,186	357	10,543
Other comprehensive income:							
Foreign exchange translation difference	-	(283)	-	-	(283)	163	(120)
Net movements on cash flow hedges	-	-	(1,960)	-	(1,960)	-	(1,960)
Total comprehensive income for the period	-	(283)	(1,960)	10,186	7,943	520	8,463
Transactions with owners of the Company recognised directly in equity:							
Purchase of non-controlling interest without a change of control	-	-	-	(1,268)	(1,268)	(275)	(1,543)
Dividends paid	-	-	-	(3,049)	(3,049)	-	(3,049)
Balance at 31st October 2014	720	(292)	(765)	77,553	77,216	4,225	81,441
Half year to 31st October 2013 (Unaudited)							
Balance at 1st May 2013	720	1,723	(746)	56,657	58,354	4,173	62,527
Total comprehensive income:							
Profit	-	-	-	9,452	9,452	340	9,792
Other comprehensive income:							
Foreign exchange translation difference	-	(830)	-	-	(830)	(281)	(1,111)
Net movements on cash flow hedges	-	-	1,569	-	1,569	-	1,569
Total comprehensive income for the period	-	(830)	1,569	9,452	10,191	59	10,250
Transactions with owners of the Company recognised directly in equity:							
Purchase of a non-controlling interest without a change of control	-	-	-	18	18	(18)	-
Dividends paid	-	-	-	(3,811)	(3,811)	-	(3,811)
Balance at 31st October 2013	720	893	823	62,316	64,752	4,214	68,966
Year ended 30th April 2014 (Audited)							
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 difference	-	(1,732)	-	-	(1,732)	(538)	(2,270)
Net movements on cash flow hedges	-	-	1,941	-	1,941	-	1,941
Total comprehensive income for the period	-	(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 of 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

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Condensed consolidated balance sheet as at 31st October 2014

	Unaudited as at 31st October 2014 £'000	Unaudited as at 31st October 2013 £'000	Audited as at 30th April 2014 £'000
Non-current assets			
Property, plant and equipment	48,452	38,632	44,096
Intangible assets	10,216	11,419	10,634
Investments in associates	1,368	1,339	1,193
	<u>60,036</u>	<u>51,390</u>	<u>55,923</u>
Current assets			
Inventories	33,732	27,823	31,215
Trade and other receivables	39,078	40,012	32,851
Derivative financial assets	1,172	2,672	2,517
Cash and cash equivalents	6,825	3,523	6,233
	<u>80,807</u>	<u>74,030</u>	<u>72,816</u>
Total assets	<u>140,843</u>	<u>125,420</u>	<u>128,739</u>
Current liabilities			
Bank overdrafts	7,086	3,487	–
Other interest-bearing loans and borrowings	2,346	2,953	2,391
Trade and other payables	28,860	30,003	33,685
Deferred consideration	500	500	500
Derivative financial liabilities	2,619	1,549	1,119
Liabilities for current tax	2,714	3,194	2,401
Warranty provision	445	212	383
	<u>44,570</u>	<u>41,898</u>	<u>40,479</u>
Non-current liabilities			
Other interest-bearing loans and borrowings	12,330	11,525	7,485
Warranty provision	291	537	336
Deferred tax liabilities	2,211	2,494	2,869
	<u>14,832</u>	<u>14,556</u>	<u>10,690</u>
Total liabilities	<u>59,402</u>	<u>56,454</u>	<u>51,169</u>
Net assets	<u>81,441</u>	<u>68,966</u>	<u>77,570</u>
Equity attributable to equity holders of the parent			
Share capital	720	720	720
Translation reserve	(292)	893	(9)
Cash flow hedge reserve	(765)	823	1,195
Retained earnings	77,553	62,316	71,684
	<u>77,216</u>	<u>64,752</u>	<u>73,590</u>
Total equity attributable to equity holders of the parent	<u>77,216</u>	<u>64,752</u>	<u>73,590</u>
Non-controlling interests	<u>4,225</u>	<u>4,214</u>	<u>3,980</u>
Total equity	<u>81,441</u>	<u>68,966</u>	<u>77,570</u>

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Condensed consolidated cash flow statement for the half year ended 31st October 2014

	Unaudited Half Year to 31st October 2014 £'000	Unaudited Half Year to 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000
Cash flow from operating activities			
Profit from continuing operations after tax	10,543	9,792	19,647
Adjustments for:			
Depreciation	2,484	1,749	3,415
Amortisation of intangible assets	212	357	703
Financial expense	335	395	760
Loss on sale of property, plant and equipment	70	11	13
Share of profit of associate companies	(114)	(144)	(314)
Tax expense	2,907	2,488	4,448
Operating profit before changes in working capital and provisions	16,437	14,648	28,672
(Increase) / decrease in trade and other receivables	(6,124)	(5,319)	2,484
(Increase) / decrease in inventories	(2,523)	3,606	(115)
(Decrease) / increase in trade and other payables (excluding payments on account)	(5,593)	(2,105)	1,835
Increase in payments on account	972	3,097	1,794
Cash generated from operations	3,169	13,927	34,670
Interest paid	(336)	(424)	(814)
Corporation tax paid	(2,739)	(2,222)	(4,688)
Interest element of finance lease obligations	(17)	(13)	(31)
Net cash from operating activities	77	11,268	29,137
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	179	10	46
Acquisition of property, plant and equipment	(6,910)	(8,095)	(15,082)
Purchase of non-controlling interest	(1,543)	(241)	(241)
Additional payment for existing subsidiary	(80)	(45)	(45)
Dividends received from associate company	-	-	201
Net cash outflow from investing activities	(8,354)	(8,371)	(15,121)
Cash flows from financing activities			
Dividends paid	(3,049)	(3,811)	(3,811)
Dividends paid to non-controlling interests	-	-	(223)
Proceeds from loans and committed facilities	5,000	5,000	-
Proceeds from financial leases	-	-	356
Repayment of loans and committed facilities	-	(9,139)	(8,791)
Payment of capital element of finance lease obligations	(223)	(188)	(401)
Finance Fees	-	-	(56)
Net cash inflow / (outflow) from financing activities	1,728	(8,138)	(12,926)
Net (decrease) / increase in cash and cash equivalents	(6,549)	(5,241)	1,090
Opening cash and cash equivalents	6,233	5,437	5,437
Effect of exchange rate fluctuations on cash held	55	(160)	(294)
Closing cash and cash equivalents	(261)	36	6,233

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes

to the condensed consolidated financial statements

1. Reporting entity

Goodwin PLC (the "Company") is a company incorporated in England. The unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended 31st October 2014 comprises the Company, its subsidiaries and the Group's interests in associates (together referred to as the "Group").

The audited condensed consolidated financial statements of the Group as at and for the year ended 30th April 2014 are available upon request from the Company's registered office at Ivy House Foundry, Hanley, Stoke on Trent ST1 3NR or via the Company's web site: www.goodwin.co.uk.

2. Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted in the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 30th April 2014.

The comparative figures for the financial year ended 30th April 2014 are extracts and not the full Group's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Audit Committee has reviewed these unaudited condensed consolidated interim financial statements and has advised the Board of Directors that, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's half year performance. These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 18th December 2014.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

3. Significant accounting policies

The accounting policies applied by the Group in these unaudited condensed consolidated financial statements are the same as those applied by the Group in its audited consolidated financial statements as at and for the year ended 30th April 2014. New standards to be adopted in the current year as below, effective for annual periods beginning on or after 1st January 2014, are not expected to have a significant impact on the financial statements.

- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Continuing hedge accounting after derivative novations
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 (2011) Separate Financial Statements
- IAS 28 (2011) Investments in Associates and Joint Ventures

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 30th April 2014.

The tax charge in the period is based on management's estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period, and the impact of any disallowed costs.

5. Business Segments

Products and services from which reportable segments derive their revenues

In accordance with the requirements of IFRS8 "Operating Segments" 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.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

Segmental assets and liabilities

	Segmental total assets			Segmental total liabilities			Segmental net assets		
	Unaudited Half Year Ended 31st October 2014 £'000	Unaudited Half Year Ended 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Unaudited Half Year Ended 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Unaudited Half Year Ended 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000
Mechanical Engineering	74,671	73,875	69,717	48,736	49,287	54,254	25,935	24,588	15,463
Refractory Engineering	31,639	23,456	24,399	14,005	9,822	11,482	17,634	13,634	12,917
Sub total reportable segment	106,310	97,331	94,116	62,741	59,109	65,736	43,569	38,222	28,380
Goodwin PLC (the Company) net assets							55,620	41,103	58,526
Investments elimination / goodwill adjustments							(15,394)	(8,524)	(8,869)
Other consolidation adjustments							(2,354)	(1,835)	(467)
Consolidated total net assets							81,441	68,966	77,570

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

Geographical segments

	Half Year Ended 31st October 2014				Half Year Ended 31st October 2013			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue £'000	Operational assets £'000	Non current assets £'000	PPE Capital expenditure £'000	Revenue £'000	Operational assets £'000	Non current assets £'000	PPE Capital expenditure £'000
UK	14,251	63,669	52,667	5,717	14,442	55,063	44,776	7,288
Rest of Europe	14,750	5,642	427	170	11,393	4,725	442	108
USA	5,967	-	-	-	9,485	-	-	-
Pacific Basin	25,660	9,031	1,934	770	19,377	7,624	1,356	126
Rest of World	12,342	3,099	5,008	285	16,567	1,554	4,816	429
Total	<u>72,970</u>	<u>81,441</u>	<u>60,036</u>	<u>6,942</u>	<u>71,264</u>	<u>68,966</u>	<u>51,390</u>	<u>7,951</u>

	Year Ended 30th April 2014			
	Audited	Audited	Audited	Audited
	Revenue £'000	Operational assets £'000	Non current assets £'000	PPE Capital expenditure £'000
UK	27,684	63,355	49,891	14,143
Rest of Europe	25,209	5,755	130	253
USA	16,541	-	-	-
Pacific Basin	36,225	7,522	1,038	217
Rest of World	25,169	938	4,864	866
Total	<u>130,828</u>	<u>77,570</u>	<u>55,923</u>	<u>15,479</u>

The Group operates in the above 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.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

6. Dividends

The Directors do not propose the payment of an interim dividend.

	Unaudited Half Year to 31st October 2014 £'000	Unaudited Half Year to 31st October 2013 £'000	Audited Year Ended 30th April 2014 £'000
Equity Dividends Paid:			
Ordinary dividends paid during the period in respect of the year ended 30th April 2014 (42.348p per share)	3,049	–	–
Ordinary dividends paid during the period in respect of the year ended 30th April 2013 (35.29p per share)	–	2,541	2,541
Extraordinary dividends paid during the period in respect of the year ended 30th April 2013 (17.645p per share)	–	1,270	1,270
Total dividends paid during the period	<u>3,049</u>	<u>3,811</u>	<u>3,811</u>

7. Earnings per share

The calculation of the earnings per ordinary share is based on the number of ordinary shares in issue during all periods of 7,200,000 and on the profit for the six months attributable to ordinary shareholders of £10,186,000 (six months to 31st October 2013: £9,452,000). The Company has no share options or other diluting interest and, accordingly, there is no difference in the calculation of diluted earnings per share.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

8. Capital Management, issuance and repayment of debt

At 31st October 2014 the capital utilised was £92,653,000 as shown below

	Unaudited as at 31st October 2014 £'000	Unaudited as at 31st October 2013 £'000	Audited as at 30th April 2014 £'000
Cash and cash equivalents	(6,825)	(3,523)	(6,233)
Bank overdrafts	7,086	3,487	-
Finance leases	791	869	1,014
Bank loans	13,885	13,609	8,862
Deferred consideration	500	500	500
Net debt	15,437	14,942	4,143
Total equity attributable to equity holders of the parent	77,216	64,752	73,590
Capital	92,653	79,694	77,733

9. Property, Plant and Equipment

Fixed asset additions were £7,262,000 with capital grants received of £320,000 during the six month period to 31st October 2014, with the Group progressing on its capital projects. Other movements in fixed assets were: depreciation of £2,484,000; capitalised interest of £18,000; an increase due to the effect of exchange adjustments of £129,000; and disposals of £249,000.

During the six month period to 31st October 2013: the Group had fixed asset additions of £8,315,000 with capital grants received of £364,000. Other movements in fixed assets were depreciation of £1,749,000; capitalised interest of £42,000; the effect of exchange adjustments of £900,000, and disposals of £20,000.

10. Intangible assets

During the six month period to 31st October 2014, intangible assets were increased by additions to goodwill of £80,000, being increased interest in existing subsidiaries by virtue of a minority dividend being paid; reduced by amortisation of £212,000 and reduced by exchange adjustments of £286,000.

During the six month period to 31st October 2013, intangible assets were increased by additions to goodwill of £286,000, being increased interest in existing subsidiaries by virtue of a minority dividend being paid and the acquisition of part of a minority interest in an existing subsidiary; reduced by amortisation of £357,000 and reduced by exchange adjustments of £6,000.

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2014

Notes (continued)

11. Total financial assets and financial liabilities

The table below sets out the Group's accounting classification of its financial assets and financial liabilities, and their carrying values/fair values at 31st October 2014. The fair values of all financial assets and financial liabilities are not materially different to the carrying values.

	Carrying value/ Fair value £'000
Financial assets	
Cash and cash equivalents	6,825
Receivables	
Trade receivables	34,573
Other receivables and prepayments	4,505
At fair value through the income statement	
Derivative financial assets not designated in a cash flow hedge relationship	29
Designated cash flow hedge relationships	
Derivative financial assets designated and effective as cash flow hedging instruments	1,143
Total financial assets	47,075
Financial liabilities	
Financial liabilities at amortised cost	
Bank overdraft	7,086
Trade payables	13,750
Other payables	7,024
Deferred consideration	500
Finance lease liabilities	791
Bank loans	13,885
Corporation tax	2,714
At fair value through the income statement	
Derivative financial liabilities not designated in a cash flow hedge relationship	491
Designated cash flow hedge relationships	
Derivative financial liabilities designated and effective as cash flow hedging instruments	2,128
Total financial liabilities	48,369

Derivative financial assets and financial 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 financial 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).