

# GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT

INTERIM REPORT  
31<sup>st</sup> OCTOBER 2015

# **GOODWIN PLC**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015**

### **CHAIRMAN'S STATEMENT**

The pre-tax profit for the Group for the first six month period ending 31st October 2015 was £6.03 million (2014: £13.45 million).

As mentioned in the full year accounts to 30th April 2015, we started the new financial year with a work load 22% lower than the year before and this coupled with tighter pricing in this difficult market has led to the reduction in pre-tax profits and activity with £61.22 million sales output (2014: £72.97 million) for the half year just completed.

The sales order input in the first six months of the new financial year was 16% higher than that in the same period last financial year but it must be said that this increased level of order input was only achieved by quoting tenders with tighter margins.

Good progress has been made in further expanding the activity of the refractory engineering division. Towards the end of the last financial year, Goodwin Refractory Services purchased the assets of a casting powder company and now supplies a significant amount of tyre tread moulding powder both in Europe and the Pacific Basin. In October 2015 Dupré Minerals and Hoben International purchased assets which enable both companies to expand their manufacturing facilities to produce more vermiculite and perlite to be sold under the name Silvaperl®. We are hopeful that this purchase will start to generate significant benefits during the second half of this financial year.

The investment expenditure mentioned in the above paragraph amounted to £4.77 million and has improved the profit potential of all three companies. In addition, there has been capital expenditure during this financial period of £5.80 million, the lion's share of which is investment in new machinery for Goodwin International to enhance and increase its machining capability to allow the company to further expand its specialist large five axis CNC machining capability. We expect an increase of £8 million in order input for this type of work this year. Easat Antennas was awarded a research and development grant which over the next two years will enhance its radar supply capability. All these initiatives, in part, will mitigate the effects of the downturn in the oil, gas and mining industries.

To enable us to undertake larger contracts, an extra £10 million line of five year committed bank facility (unutilised) has been arranged as payment cycles are less certain in current economic conditions.

J. W. Goodwin  
Chairman

18th December 2015

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Management report

The turnover for the first six months of this new financial year decreased by 16.1%. The pre-tax profit has decreased by 55.2% in the first half of the financial year.

Manufacturing efficiency combined with continued high quality and global sourcing of high integrity materials has brought our customers savings despite adverse currency and market conditions. A full complement of apprentices has again been set on and the opportunity has been taken to train for our extended specialist capacity. The outstanding quotations for work in new areas should if successful aid recovery.

### Financial Highlights

	<b>Unaudited Half Year to 31st October 2015 £'m</b>	Unaudited Half Year to 31st October 2014 £'m	Audited Year Ended 30th April 2015 £'m
<b>Consolidated Results</b>			
Sales revenue	<b>61.2</b>	73.0	127.0
Operating profit	<b>6.2</b>	13.7	20.4
Profit before tax	<b>6.0</b>	13.5	20.1
Profit after tax	<b>4.8</b>	10.5	15.5
Capital Expenditure	<b>5.8</b>	6.9	17.0
Earnings per share (Basic and Diluted)	<b>68.01p</b>	141.47p	208.68p

### Turnover

Sales revenue of £61,220,000 for the half year represents a 16.1% decrease over the £72,970,000 achieved during the same period last year.

### Profit Before Tax

Profit before tax for the six months of £6,028,000 is down 55.2% from the £13,450,000 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 2015 which describes the principal risks and uncertainties, and to note 20 (page 44) 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 2015.

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 2015

### Management report *(continued)*

#### Report on Expected Developments

This report describes the expected developments of the Group during the year ended 30th April 2016. 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.

#### 2016/17 Outlook

Whilst currently depressed, 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, gas and mining industries 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 2015

### Condensed consolidated income statement for the half year to 31st October 2015

	<b>Unaudited Half Year to 31st October 2015 £'000</b>	Unaudited Half Year to 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
<b>Continuing operations</b>			
Revenue	<b>61,220</b>	72,970	127,049
Cost of sales	<b>(43,966)</b>	(48,974)	(85,754)
<b>Gross profit</b>	<b>17,254</b>	23,996	41,295
Distribution expenses	<b>(1,571)</b>	(1,628)	(3,586)
Administrative expenses	<b>(9,463)</b>	(8,697)	(17,262)
<b>Operating profit</b>	<b>6,220</b>	13,671	20,447
Financial expenses	<b>(357)</b>	(335)	(682)
Share of profit of associate companies	<b>165</b>	114	288
<b>Profit before taxation</b>	<b>6,028</b>	13,450	20,053
Tax on profit	<b>(1,202)</b>	(2,907)	(4,601)
<b>Profit after taxation</b>	<b>4,826</b>	10,543	15,452
<b>Attributable to:</b>			
Equity holders of the parent	<b>4,897</b>	10,186	15,025
Non-controlling interests	<b>(71)</b>	357	427
<b>Profit for the period</b>	<b>4,826</b>	10,543	15,452
<b>Basic and diluted earnings per ordinary share</b>	<b>68.01p</b>	141.47p	208.68p

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Condensed consolidated statement of comprehensive income for the half year to 31st October 2015

	<b>Unaudited Half Year to 31st October 2015 £'000</b>	Unaudited Half Year to 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
<b>Profit for the period</b>	<b>4,826</b>	10,543	15,452
<b>Other comprehensive expense</b>			
<b>Items that are or may be reclassified subsequently to the income statement</b>			
Foreign exchange translation differences	<b>(1,529)</b>	(120)	(1,176)
Effective portion of changes in fair value of cash flow hedges	<b>272</b>	(167)	2,630
Change in fair value of cash flow hedges transferred to the income statement	<b>(190)</b>	(2,283)	(2,197)
Tax on items that are or may be reclassified subsequently to the income statement	<b>(16)</b>	490	(87)
<b>Other comprehensive expense for the period, net of income tax</b>	<b>(1,463)</b>	(2,080)	(830)
<b>Total comprehensive income for the period</b>	<b>3,363</b>	8,463	14,622
<b>Attributable to:</b>			
Equity holders of the parent	<b>3,550</b>	7,943	14,024
Non-controlling interests	<b>(187)</b>	520	598
	<b>3,363</b>	8,463	14,622

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Condensed consolidated statement of changes in equity for the half year to 31st October 2015

	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
<b>Half year to 31st October 2015 (Unaudited)</b>							
Balance at 1st May 2015	720	(1,356)	1,541	81,836	82,741	3,781	86,522
Total comprehensive income:							
Profit	-	-	-	4,897	4,897	(71)	4,826
Other comprehensive income:							
Foreign exchange translation difference	-	(1,413)	-	-	(1,413)	(116)	(1,529)
Net movements on cash flow hedges	-	-	66	-	66	-	66
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,413)</b>	<b>66</b>	<b>4,897</b>	<b>3,550</b>	<b>(187)</b>	<b>3,363</b>
Transactions with owners of the Company recognised directly in equity:							
Purchase of non-controlling interest without a change of control	-	-	-	(479)	(479)	149	(330)
Dividends paid	-	-	-	(3,049)	(3,049)	(158)	(3,207)
<b>Balance at 31st October 2015</b>	<b>720</b>	<b>(2,769)</b>	<b>1,607</b>	<b>83,205</b>	<b>82,763</b>	<b>3,585</b>	<b>86,348</b>
<b>Half year to 31st October 2014 (Unaudited)</b>							
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)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(283)</b>	<b>(1,960)</b>	<b>10,186</b>	<b>7,943</b>	<b>520</b>	<b>8,463</b>
Transactions with owners of the Company recognised directly in equity:							
Purchase of a non-controlling interest without a change of control	-	-	-	(1,268)	(1,268)	(275)	(1,543)
Dividends paid	-	-	-	(3,049)	(3,049)	-	(3,049)
<b>Balance at 31st October 2014</b>	<b>720</b>	<b>(292)</b>	<b>(765)</b>	<b>77,553</b>	<b>77,216</b>	<b>4,225</b>	<b>81,441</b>
<b>Year ended 30th April 2015 (Audited)</b>							
Balance at 1st May 2014	720	(9)	1,195	71,684	73,590	3,980	77,570
Total comprehensive income:							
Profit	-	-	-	15,025	15,025	427	15,452
Other comprehensive income:							
Foreign exchange translation difference	-	(1,347)	-	-	(1,347)	171	(1,176)
Net movements on cash flow hedges	-	-	346	-	346	-	346
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,347)</b>	<b>346</b>	<b>15,025</b>	<b>14,024</b>	<b>598</b>	<b>14,622</b>
Transactions with owners of the Company recognised directly in equity:							
Purchase of non-controlling interest without a change of control	-	-	-	(1,824)	(1,824)	(709)	(2,533)
Dividends paid	-	-	-	(3,049)	(3,049)	(88)	(3,137)
<b>Balance at 30th April 2015</b>	<b>720</b>	<b>(1,356)</b>	<b>1,541</b>	<b>81,836</b>	<b>82,741</b>	<b>3,781</b>	<b>86,522</b>

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Condensed consolidated balance sheet as at 31st October 2015

	Unaudited as at 31st October 2015 £'000	Unaudited as at 31st October 2014 £'000	Audited as at 30th April 2015 £'000
<b>Non-current assets</b>			
Property, plant and equipment	58,456	48,452	55,659
Intangible assets	15,470	10,216	10,865
Investments in associates	1,580	1,368	1,477
	<u>75,506</u>	<u>60,036</u>	<u>68,001</u>
<b>Current assets</b>			
Inventories	34,617	33,732	32,771
Trade and other receivables	27,539	39,078	26,364
Derivative financial assets	3,843	1,172	4,624
Cash and cash equivalents	5,188	6,825	7,732
	<u>71,187</u>	<u>80,807</u>	<u>71,491</u>
<b>Total assets</b>	<u>146,693</u>	<u>140,843</u>	<u>139,492</u>
<b>Current liabilities</b>			
Bank overdrafts	11,409	7,086	–
Interest-bearing loans and borrowings	2,243	2,346	277
Trade and other payables	25,579	28,860	26,938
Deferred consideration	500	500	500
Derivative financial liabilities	1,563	2,619	2,587
Liabilities for current tax	1,075	2,714	1,540
Warranty provision	95	445	224
	<u>42,464</u>	<u>44,570</u>	<u>32,066</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	14,053	12,330	17,149
Warranty provision	337	291	297
Deferred tax liabilities	3,491	2,211	3,458
	<u>17,881</u>	<u>14,832</u>	<u>20,904</u>
<b>Total liabilities</b>	<u>60,345</u>	<u>59,402</u>	<u>52,970</u>
<b>Net assets</b>	<u>86,348</u>	<u>81,441</u>	<u>86,522</u>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	720	720	720
Translation reserve	(2,769)	(292)	(1,356)
Cash flow hedge reserve	1,607	(765)	1,541
Retained earnings	83,205	77,553	81,836
	<u>82,763</u>	<u>77,216</u>	<u>82,741</u>
<b>Total equity attributable to equity holders of the parent</b>	<u>82,763</u>	<u>77,216</u>	<u>82,741</u>
<b>Non-controlling interests</b>	<u>3,585</u>	<u>4,225</u>	<u>3,781</u>
<b>Total equity</b>	<u>86,348</u>	<u>81,441</u>	<u>86,522</u>



# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Condensed consolidated cash flow statement for the half year ended 31st October 2015

	<b>Unaudited Half Year to 31st October 2015 £'000</b>	Unaudited Half Year to 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
<b>Cash flow from operating activities</b>			
Profit from continuing operations after tax	<b>4,826</b>	10,543	15,452
Adjustments for:			
Depreciation	<b>2,401</b>	2,484	4,903
Amortisation of intangible assets	<b>184</b>	212	359
Impairment of intangible assets	<b>–</b>	–	59
Financial expense	<b>357</b>	335	682
Loss on sale of property, plant and equipment	<b>3</b>	70	175
Share of profit of associate companies	<b>(165)</b>	(114)	(288)
Tax expense	<b>1,202</b>	2,907	4,601
<b>Operating profit before changes in working capital and provisions</b>	<b>8,808</b>	16,437	25,943
(Increase) / decrease in trade and other receivables	<b>(1,496)</b>	(6,124)	5,192
Increase in inventories	<b>(2,085)</b>	(2,523)	(1,743)
Decrease in trade and other payables (excluding payments on account)	<b>(2,630)</b>	(5,593)	(2,292)
Increase / (decrease) in payments on account	<b>1,532</b>	972	(3,434)
<b>Cash generated from operations</b>	<b>4,129</b>	3,169	23,666
Interest paid	<b>(329)</b>	(336)	(705)
Corporation tax paid	<b>(1,653)</b>	(2,739)	(4,904)
Interest element of finance lease obligations	<b>(28)</b>	(17)	(28)
<b>Net cash from operating activities</b>	<b>2,119</b>	77	18,029
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment	<b>47</b>	179	199
Acquisition of intangible assets	<b>(3,500)</b>	–	(1,263)
Acquisition of property, plant and equipment	<b>(6,015)</b>	(6,910)	(17,401)
Acquisition of subsidiary	<b>(1,667)</b>	–	–
Purchase of non-controlling interest	<b>(330)</b>	(1,543)	(2,533)
Additional payment for existing subsidiary	<b>(53)</b>	(80)	(80)
Additional investment in associate companies	<b>(60)</b>	–	(64)
Dividends received from associate company	<b>–</b>	–	180
<b>Net cash outflow from investing activities</b>	<b>(11,578)</b>	(8,354)	(20,962)
<b>Cash flows from financing activities</b>			
Dividends paid	<b>(3,049)</b>	(3,049)	(3,049)
Dividends paid to non-controlling interests	<b>(158)</b>	–	(88)
Proceeds from loans and committed facilities	<b>–</b>	5,000	10,000
Repayment of loans and committed facilities	<b>(1,000)</b>	–	(2,000)
Payment of capital element of finance lease obligations	<b>(158)</b>	(223)	(449)
<b>Net cash (outflow) / inflow from financing activities</b>	<b>(4,365)</b>	1,728	4,414
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(13,824)</b>	(6,549)	1,481
Opening cash and cash equivalents	<b>7,732</b>	6,233	6,233
Effect of exchange rate fluctuations on cash held	<b>(129)</b>	55	18
<b>Closing cash and cash equivalents</b>	<b>(6,221)</b>	(261)	7,732

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### 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 2015 comprises the Company, its subsidiaries and the Group's interests in associates (together referred to as the "Group").

The audited consolidated financial statements of the Group as at and for the year ended 30th April 2015 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](http://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 2015.

The comparative figures for the financial year ended 30th April 2015 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 2015.

#### **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 2015. New standards to be adopted in the current year as below, effective for annual periods beginning on or after 1st July 2014, are not expected to have a significant impact on the financial statements.

- Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods beginning on or after 1 February 2015)
- Annual Improvements to IFRSs – 2011-2012 Cycle (endorsed on 18 December 2014)

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:

- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 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 1 January 2016)

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## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

### Notes (continued)

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (effective for annual periods beginning on or after 1 January 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38. (effective for annual periods beginning on or after 1 January 2016)
- Equity Method in Separate Financial Statements – Amendments to IAS 27 (effective for annual periods beginning on or after 1 January 2016)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 1 January 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle Investment entities: (effective for annual periods beginning on or after 1 January 2016)
- Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1 January 2016)
- Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods beginning on or after 1 January 2016)
- Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 1 January 2016)
- Disclosure Initiative – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2016)
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2016)

#### 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 2015.

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.

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## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

Notes (continued)

### Segment revenues and profits

	Mechanical Engineering			Refractory Engineering			Sub Total		
	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
<b>Revenue</b>									
External sales	44,816	56,269	93,545	16,404	16,701	33,504	61,220	72,970	127,049
Intra-Group sales	7,526	11,656	24,899	1,965	2,573	5,912	9,491	14,229	30,811
Total revenue	<u>52,342</u>	<u>67,925</u>	<u>118,444</u>	<u>18,369</u>	<u>19,274</u>	<u>39,416</u>	<u>70,711</u>	<u>87,199</u>	<u>157,860</u>
Reconciliation to consolidated revenues:									
Intra-Group sales							(9,491)	(14,229)	(30,811)
Consolidated revenue for the period							<u>61,220</u>	<u>72,970</u>	<u>127,049</u>
<b>Profits</b>									
Segment result including associates	5,355	11,401	16,397	1,616	2,418	5,139	6,971	13,819	21,536
Group administration costs							(586)	(34)	(801)
Group finance and treasury costs							(357)	(335)	(682)
Consolidated profit before tax for the period							<u>6,028</u>	<u>13,450</u>	<u>20,053</u>
Tax							(1,202)	(2,907)	(4,601)
Consolidated profit after tax for the period							<u>4,826</u>	<u>10,543</u>	<u>15,452</u>

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

Notes (continued)

### Segmental assets and liabilities

	Segmental total assets			Segmental total liabilities			Segmental net assets		
	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000	Unaudited Half Year Ended 31st October 2015 £'000	Unaudited Half Year Ended 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
Mechanical Engineering	71,353	74,671	65,635	50,452	48,736	48,082	20,901	25,935	17,553
Refractory Engineering	39,158	31,639	35,262	20,265	14,005	16,572	18,893	17,634	18,690
Sub total reportable segment	<u>110,511</u>	<u>106,310</u>	<u>100,897</u>	<u>70,717</u>	<u>62,741</u>	<u>64,654</u>	<u>39,794</u>	<u>43,569</u>	<u>36,243</u>
Goodwin PLC (the Company) net assets							66,491	55,620	69,729
Elimination of Goodwin PLC investments							(24,764)	(20,624)	(24,122)
Goodwill							9,288	8,325	7,970
Other consolidation adjustments							(4,461)	(5,449)	(3,298)
Consolidated total net assets							<u>86,348</u>	<u>81,441</u>	<u>86,522</u>
<b>Segmental property, plant and equipment (PPE) capital expenditure</b>									
Goodwin PLC							3,221	3,122	7,586
Mechanical Engineering							1,485	2,766	4,843
Refractory Engineering							1,091	1,054	4,542
							<u>5,797</u>	<u>6,942</u>	<u>16,971</u>

# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

Notes (continued)

### Geographical segments

	Half Year Ended 31st October 2015				Half Year Ended 31st October 2014			
	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	15,193	65,166	64,065	4,708	14,251	63,669	52,667	5,717
Rest of Europe	11,825	5,254	762	98	14,750	5,642	427	170
USA	5,890	-	-	-	5,967	-	-	-
Pacific Basin	15,941	11,935	5,813	532	25,660	9,031	1,934	770
Rest of World	12,371	3,993	4,866	459	12,342	3,099	5,008	285
Total	<u>61,220</u>	<u>86,348</u>	<u>75,506</u>	<u>5,797</u>	<u>72,970</u>	<u>81,441</u>	<u>60,036</u>	<u>6,942</u>

  

	Year Ended 30th April 2015			
	Audited	Audited	Audited	Audited
	Revenue £'000	Operational assets £'000	Non current assets £'000	PPE Capital expenditure £'000
UK	25,415	63,150	56,658	11,876
Rest of Europe	24,680	5,921	724	602
USA	13,009	-	-	-
Pacific Basin	39,321	12,430	5,587	3,799
Rest of World	24,624	5,021	5,032	694
Total	<u>127,049</u>	<u>86,522</u>	<u>68,001</u>	<u>16,971</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 2015

Notes (continued)

### 6. Dividends

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

	<b>Unaudited Half Year to 31st October 2015 £'000</b>	Unaudited Half Year to 31st October 2014 £'000	Audited Year Ended 30th April 2015 £'000
<b>Equity Dividends Paid:</b>			
Ordinary dividends paid during the period in respect of the year ended 30th April 2015 (42.348p per share)	<b>3,049</b>	–	–
Ordinary dividends paid during the period in respect of the year ended 30th April 2014 (42.348p per share)	–	3,049	3,049
Total dividends paid during the period	<b><u>3,049</u></b>	<u>3,049</u>	<u>3,049</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 £4,897,000 (six months to 31st October 2014: £10,186,000). 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 2015

Notes (continued)

### 8. Capital Management, issuance and repayment of debt

At 31st October 2015 the capital utilised was £105,780,000 as shown below

	<b>Unaudited as at 31st October 2015 £'000</b>	Unaudited as at 31st October 2014 £'000	Audited as at 30th April 2015 £'000
Cash and cash equivalents	<b>(5,188)</b>	(6,825)	(7,732)
Bank overdrafts	<b>11,409</b>	7,086	-
Finance leases	<b>407</b>	791	565
Bank loans	<b>15,889</b>	13,885	16,861
Deferred consideration	<b>500</b>	500	500
<b>Net debt</b>	<b>23,017</b>	15,437	10,194
<b>Total equity attributable to equity holders of the parent</b>	<b>82,763</b>	77,216	82,741
<b>Capital</b>	<b>105,780</b>	92,653	92,935

### 9. Property, Plant and Equipment

Fixed asset additions were £5,797,000 during the six month period to 31st October 2015, with the Group progressing on its capital projects. Other movements in fixed assets were: depreciation of £2,401,000; a decrease due to the effect of exchange adjustments of £588,000; disposals of £50,000 and an acquisition of £39,000.

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.

### 10. Intangible assets

During the six month period to 31st October 2015, intangible assets were increased by £3,500,000 and by the acquisition of £1,405,000 (note 11) and by additions to goodwill of £53,000 (being increased interest in existing subsidiaries by virtue of a minority dividend being paid); reduced by amortisation of £184,000 and reduced by exchange adjustments of £169,000.

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.

### 11. Acquisition

A small electronics company was acquired during the six months to 31st October 2015 for a consideration of £1,561,000 (with £106,000 of bank overdraft). Assets acquired included a provisional value of intangible assets and goodwill of £1,405,000.



# GOODWIN PLC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2015

Notes (continued)

### 12. 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 2015. The fair values of all financial assets and financial liabilities are not materially different to the carrying values.

	<b>Carrying value/ Fair value £'000</b>
<b>Financial assets</b>	
Cash and cash equivalents	5,188
<b>Receivables</b>	
Trade receivables	24,247
Other receivables	1,762
<b>At fair value through the income statement</b>	
Derivative financial assets not designated in a cash flow hedge relationship	575
<b>Designated cash flow hedge relationships</b>	
Derivative financial assets designated and effective as cash flow hedging instruments	3,268
<b>Total financial assets</b>	<b>35,040</b>
<b>Financial liabilities</b>	
<b>Financial liabilities at amortised cost</b>	
Bank overdraft	11,409
Trade payables	13,080
Other payables	7,290
Deferred consideration	500
Finance lease liabilities	407
Bank loans	15,889
Corporation tax	1,075
<b>At fair value through the income statement</b>	
Derivative financial liabilities not designated in a cash flow hedge relationship	302
<b>Designated cash flow hedge relationships</b>	
Derivative financial liabilities designated and effective as cash flow hedging instruments	1,261
<b>Total financial liabilities</b>	<b>51,213</b>

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).