

GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT

INTERIM REPORT
31ST OCTOBER 2021

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

CHAIRMAN'S STATEMENT

The pre-tax profit for the Group for the first six month period ending 31st October 2021 was £7.7 million (2020: £5.8 million) on a revenue of £69 million.

At the half year the Group's workload remains steady at £156 million and does not yet contain some of the major projects that the Mechanical Engineering Division has confidently been pursuing within the military, nuclear waste re-processing and surveillance markets.

The Refractory Engineering Division has delivered a strong performance and its activity continues to travel on an upward trajectory, delivering like-for-like sales growth of 40%. With the recent acquisitions now generating revenue; our end user markets growing; our research and development investment programmes in the fire protection and construction products now gaining traction in their respective markets, the Division currently represents 40% of the Group's revenue. The Division's focus on price increases, global sourcing, network capabilities and operational footprint has enabled it to date to manage the price pressures and supply chain disruptions.

The Mechanical Engineering Division has experienced low levels of activity due to customer approval delays on documentation for cast and machined products going into complex stakeholder environments. This, coupled with navigating supply availability and increased energy costs (with there being a time lag before such costs can be passed on to the end users), has impacted both sales and profitability in the first six months of the year. We now have in place fixed price energy contracts that go out until June 2023 that will remove the extreme spikes in energy prices that were seen in September 2021. A pragmatic approach has also been taken to highlight and reduce the amount of red tape and address the increased costs of production that will enable efficient production, moving forward, of orders in hand.

The Group's net debt stands at £34.8 million (31st October 2020: £31.1 million) with a relatively moderate level of gearing of 31.7%. During the six month period just completed, the Group's cash generation has been reduced by the requirement of additional working capital as new projects start to ramp up. Furthermore, the Group has proceeded as planned with its investments programme that is spread across both Divisions, including projects that will reduce its carbon footprint and its reliance on the energy markets, details of which will be released in the next Annual Report.

T. J. W. Goodwin
Chairman

15th December 2021

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Management Report

Financial Highlights

	Unaudited Half Year to 31st October 2021	Unaudited Half Year to 31st October 2020	Audited Year Ended 30th April 2021
	£'m	£'m	£'m
Consolidated Results			
Revenue	68.9	62.6	131.2
Operating profit	8.2	6.1	17.1
Profit before tax	7.7	5.8	16.5
Profit after tax	6.0	4.5	13.0
Capital additions:			
Property, plant and equipment (PPE) owned	9.0	7.5	11.9
PPE (right-of-use assets)	1.1	0.8	2.4
Operating lease assets (IAS 17 definition)	–	(0.1)	(1.1)
Intangible assets	0.6	0.6	1.7
Capital Expenditure for KPI purposes	10.7	8.8	14.9
Earnings per share – basic	72.12p	56.64p	167.82p
Earnings per share – diluted	72.12p	55.42p	164.23p

Turnover

Sales revenue of £68,884,000 for the half year represents a 10% increase from the £62,628,000 achieved during the same period last year.

Profit Before Tax

Profit before tax for the six months of £7,723,000 represents a 34% increase from the £5,774,000 achieved for the same six month period last year.

Key performance indicators

The key performance indicators for the business are listed below:

	Unaudited Half Year to 31st October 2021	Unaudited Half Year to 31st October 2020	Audited Year Ended 30th April 2021
Gross profit as a % of turnover	29.5	25.9	29.7
Other income (in £ millions)	–	–	0.8
Profit before tax (in £ millions)	7.7	5.8	16.5
Gearing %	31.7	29.8	15.4
Non cash charges (in £ millions)			
Depreciation	2.9	2.7	5.7
Depreciation of right-of-use assets	0.5	0.4	1.0
Amortisation	0.7	0.7	1.6
Total non cash charges	4.1	3.8	8.3

Alternative performance measures mentioned above are defined in note 34 on page 84 of the Group Annual Accounts to 30th April 2021.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Management Report *(continued)*

2021/22 Outlook

Even with the expectation of an increased order input over the next six months, we expect the second half year pre-tax profits of this financial year to be possibly slightly better than the first half and for the benefit of increased activity and profitability to be realised over the next eighteen months.

This improvement is a feature of the strategic transformation of the foundry and its progress in creating an efficient environment to deliver high volume, high quality products for nuclear waste and cast naval components for its new customer base following the decline of its traditional oil and gas business. Furthermore, whilst we continue to experience inflationary pressures, the offsetting benefit of increased selling prices will be recognised within the next financial year.

The momentum within the Refractory Engineering Division shows no signs of slowing and the Group's eight companies supplying consumables to the jewellery casting, fire protection and construction sectors are well placed moving forward to continue to deliver strong results subject to raw material availability and consumer demand.

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 pages 12 to 13 of the Group Annual Accounts to 30th April 2021 which describe the principal risks and uncertainties, and to note 26 (starting on page 73) which describes in detail the key financial risks and uncertainties affecting the business such as credit risk and foreign exchange risk.

Judging the future relationship of the major currency pairs of the US Dollar, Sterling and the Euro continues to be a challenge.

The Group (see page 76 of the Group Annual Accounts to 30th April 2021) has mitigated the impact of rising interest rates by fixing the effective base rate at less than 1% for a notional £30 million of debt for the next ten years.

Report on Expected Developments

This report describes the expected developments of the Group during the year ended 30th April 2022. 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.

Going Concern

The Group once again continues to trade profitably and with the current order book level we are confident that this will continue and improve, especially as we move in to the next financial year. Whereas many companies have struggled with the impacts of

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Management Report *(continued)*

Going Concern *(continued)*

Covid-19, the Group has remained open to carry on with its value added activities. As in previous periods, the levels of depreciation and amortisation (both non cash items) remain significant thus masking the true cash generating capability of the Group. As at 31st October 2021, the Group net debt stood at £34.8 million (*31st October 2020: £31.1 million*) as set out in note 10 to these accounts. Whilst the net debt levels are higher than those recorded as at April 2021 and October 2020 the gearing level at 31.7% is still modest and the Board considers that the banking headroom (facilities versus utilisation) is acceptable. Given the foregoing, the Directors do not see an issue with the continued ability of the Group to meet its financial commitments and so have drawn up these accounts on a going concern basis.

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 United Kingdom 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).

T. J. W. Goodwin
Chairman

15th December 2021

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Statement of Profit or Loss for the half year to 31st October 2021

	Unaudited Half Year to 31st October 2021 £'000	Unaudited Half Year to 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Continuing operations			
Revenue	68,884	62,628	131,231
Cost of sales	(48,529)	(46,404)	(92,230)
Gross profit	20,355	16,224	39,001
Other income	–	–	763
Distribution expenses	(1,817)	(1,320)	(2,988)
Administrative expenses	(10,335)	(8,833)	(19,682)
Operating profit	8,203	6,071	17,094
Finance costs (net)	(513)	(323)	(640)
Share of profit of associate companies	33	26	60
Profit before taxation	7,723	5,774	16,514
Tax on profit	(1,719)	(1,289)	(3,508)
Profit after taxation	6,004	4,485	13,006
Attributable to:			
Equity holders of the parent	5,546	4,171	12,494
Non-controlling interests (NCI)	458	314	512
Profit for the period	6,004	4,485	13,006
Basic earnings per ordinary share (Note 9)	72.12p	56.64p	167.82p
Diluted earnings per ordinary share (Note 9)	72.12p	55.42p	164.23p

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Statement of Comprehensive Income for the half year to 31st October 2021

	Unaudited Half Year to 31st October 2021 £'000	Unaudited Half Year to 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Profit for the period	6,004	4,485	13,006
Other comprehensive (expense) / income			
Items that are or may be reclassified subsequently to the income statement			
Foreign exchange translation differences	(697)	593	(1,371)
Effective portion of changes in fair value of cash flow hedges	754	(293)	1,296
Ineffective portion of changes in fair value of cash flow hedges	–	(617)	(657)
Change in fair value of cash flow hedges transferred to profit or loss	(731)	935	1,932
Effective portion of changes in fair value of cost of hedging	(145)	88	(37)
Ineffective portion of changes in fair value of cost of hedging	–	581	631
Change in fair value of cost of hedging transferred to profit or loss	(10)	281	381
Tax on items that are or may be reclassified subsequently to profit or loss	(91)	(186)	(673)
Other comprehensive (expense) / income for the period, net of income tax	(920)	1,382	1,502
Total comprehensive income for the period	5,084	5,867	14,508
Attributable to:			
Equity holders of the parent	4,732	5,465	14,081
Non-controlling interests	352	402	427
	5,084	5,867	14,508

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Statement of Changes in Equity for the half year to 31st October 2021

	Share capital £'000	Translation reserve £'000	Share-based payments reserve £'000	Cash flow hedge reserve £'000	Cost of 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 2021 (Unaudited)									
Balance at 1st May 2021	753	(852)	5,244	1,601	(1)	106,396	113,141	4,887	118,028
Total comprehensive income:									
Profit	-	-	-	-	-	5,546	5,546	458	6,004
Other comprehensive income:									
Foreign exchange translation differences	-	(591)	-	-	-	-	(591)	(106)	(697)
Net movements on cash flow hedges	-	-	-	(113)	(110)	-	(223)	-	(223)
Total comprehensive income (expense) for the period	-	(591)	-	(113)	(110)	5,546	4,732	352	5,084
Issue of shares	16	-	-	-	-	-	16	-	16
Dividends paid	-	-	-	-	-	(7,862)	(7,862)	(187)	(8,049)
Acquisition of NCI without a change in control	-	-	-	-	-	(74)	(74)	(356)	(430)
Balance at 31st October 2021	769	(1,443)	5,244	1,488	(111)	104,006	109,953	4,696	114,649

	Share capital £'000	Translation reserve £'000	Share-based payments reserve £'000	Cash flow hedge reserve £'000	Cost of 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 2020 (Unaudited)									
Balance at 1st May 2020	736	361	5,244	(499)	(743)	99,918	105,017	4,585	109,602
Total comprehensive income:									
Profit	-	-	-	-	-	4,171	4,171	314	4,485
Other comprehensive income:									
Foreign exchange translation differences	-	502	-	-	-	-	502	91	593
Net movements on cash flow hedges	-	-	-	68	724	-	792	(3)	789
Total comprehensive income for the period	-	502	-	68	724	4,171	5,465	402	5,867
Issue of shares	16	-	-	-	-	-	16	-	16
Dividends paid	-	-	-	-	-	(6,016)	(6,016)	(125)	(6,141)
Balance at 31st October 2020	752	863	5,244	(431)	(19)	98,073	104,482	4,862	109,344

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Statement of Changes in Equity for the half year to 31st October 2021 (continued)

	Share capital £'000	Translation reserve £'000	Share- based payments reserve £'000	Cash flow hedge reserve £'000	Cost of 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 2021 (Audited)									
Balance at 1st May 2020	736	361	5,244	(499)	(743)	99,918	105,017	4,585	109,602
Total comprehensive income:									
Profit	-	-	-	-	-	12,494	12,494	512	13,006
Other comprehensive income:									
Foreign exchange translation differences	-	(1,255)	-	-	-	-	(1,255)	(116)	(1,371)
Net movements on cash flow hedges	-	-	-	2,100	742	-	2,842	31	2,873
Total comprehensive income / (expense) for the period	-	(1,255)	-	2,100	742	12,494	14,081	427	14,508
Issue of shares	17	-	-	-	-	-	17	-	17
Dividends paid	-	-	-	-	-	(6,016)	(6,016)	(125)	(6,141)
Recycling of translation reserve on disposal of subsidiary	-	42	-	-	-	-	42	-	42
Balance at 30th April 2021	753	(852)	5,244	1,601	(1)	106,396	113,141	4,887	118,028

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Balance Sheet as at 31st October 2021

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000	Audited as at 30th April 2021 £'000
Non-current assets			
Property, plant and equipment	82,949	74,404	77,063
Right-of-us assets	4,276	5,728	3,691
Investment in associates	815	853	829
Intangible assets	24,500	24,770	24,813
Derivative financial assets	613	1,145	191
Other financial assets at amortised cost	–	137	–
	113,153	107,037	106,587
Current assets			
Inventories	37,315	45,359	34,547
Contract assets	13,245	15,685	15,844
Trade and other financial assets	23,940	23,959	20,540
Other receivables	6,298	5,669	5,498
Deferred tax asset	144	151	129
Derivative financial assets	3,001	1,067	4,106
Cash and cash equivalents	12,257	10,915	15,160
	96,200	102,805	95,824
Total assets	209,353	209,842	202,411
Current liabilities			
Bank overdrafts and interest-bearing liabilities	1,853	33,661	1,607
Contract liabilities*	14,542	25,461	14,332
Trade payables and other financial liabilities	16,606	19,724	21,730
Other payables	4,102	4,260	4,025
Derivative financial liabilities	1,262	1,011	2,016
Liabilities for current tax	1,689	1,881	1,174
Provision for liabilities and charges	512	81	608
	40,566	86,079	45,492
Non-current liabilities			
Interest-bearing liabilities	47,053	9,709	33,066
Derivative financial liabilities	336	474	–
Provision for liabilities and charges	304	414	251
Deferred tax liabilities	6,445	3,822	5,574
	54,138	14,419	38,891
Total liabilities	94,704	100,498	84,383
Net assets	114,649	109,344	118,028
Equity attributable to equity holders of the parent			
Share capital	769	752	753
Translation reserve	(1,443)	863	(852)
Share-based payments reserve	5,244	5,244	5,244
Cash flow hedge reserve	1,488	(431)	1,601
Cost of hedging reserve	(111)	(19)	(1)
Retained earnings	104,006	98,073	106,396
Total equity attributable to equity holders of the parent	109,953	104,482	113,141
Non-controlling interests	4,696	4,862	4,887
Total equity	114,649	109,344	118,028

*Contract liabilities include advance payments from customers of £13,766,000 (October 2020: £24,991,000), with the balance of £776,000 (October 2020: £470,000) being costs accrued for contracts.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Condensed Consolidated Statement of Cash Flows for the half year ended 31st October 2021

	Unaudited Half Year to 31st October 2021 £'000	Unaudited Half Year to 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Cash flow from operating activities			
Profit from continuing operations after tax	6,004	4,485	13,006
Adjustments for:			
Depreciation of property, plant and equipment	2,932	2,715	5,696
Depreciation of right-of-use assets	456	424	972
Amortisation of intangible assets	747	745	1,566
Finance costs (net)	513	323	640
Foreign exchange losses	125	48	292
Profit on sale of property, plant and equipment	(95)	(32)	(745)
Profit on disposal of subsidiary	–	–	(32)
Share of profit of associate companies	(33)	(26)	(60)
Tax expense	1,719	1,289	3,508
Cash generated from operating activities before changes in working capital and provisions	12,368	9,971	24,843
(Increase) / decrease in inventories	(3,073)	85	10,344
Decrease / (increase) in contract assets	2,583	(9,083)	(9,242)
(Increase) / decrease in trade and other receivables	(4,076)	(53)	2,885
Increase / (decrease) in contract liabilities	266	6,509	(4,428)
(Decrease) / increase in trade and other payables	(5,192)	(3,351)	1,047
Decrease / (increase) in hedged derivative balances	180	181	(438)
Cash inflow from operations	3,056	4,259	25,011
Interest paid	(513)	(388)	(734)
Corporation tax paid	(576)	(958)	(3,068)
Net cash from operating activities	1,967	2,913	21,209
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	213	136	1,958
Acquisition of property, plant and equipment	(9,220)	(7,261)	(11,738)
Additional investment in existing subsidiaries	(430)	–	–
Acquisition of intangible assets	(269)	(600)	(719)
Development expenditure capitalised	(408)	(450)	(1,420)
Net cash outflow from investing activities	(10,114)	(8,175)	(11,919)
Cash flows from financing activities			
Proceeds from issue of share capital	16	16	17
Payment of capital element of lease obligations	(385)	(787)	(1,635)
Dividends paid	(7,862)	(6,016)	(6,016)
Dividends paid to non-controlling interests	(187)	(125)	(125)
Proceeds from new loans and committed facilities	14,200	12,048	35,048
Repayment of loans and committed facilities	(355)	(389)	(30,772)
Net cash inflow / (outflow) from financing activities	5,427	4,747	(3,483)
Net (decrease) / increase in cash and cash equivalents	(2,720)	(515)	5,807
Cash and cash equivalents at beginning of year	15,160	9,449	9,449
Effect of exchange rate fluctuations on cash held	(183)	109	(96)
Closing cash and cash equivalents (Note 13)	12,257	9,043	15,160

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes

to the Condensed Consolidated Interim Financial Statements

1. Reporting Entity

Goodwin PLC (the "Company") is a company incorporated in England and Wales. The unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended 31st October 2021 comprise 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 2021 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 United Kingdom. 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 2021.

The comparative figures for the financial year ended 30th April 2021 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 15th December 2021.

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 2021. The changes in accounting policies are to be reflected in the Group's consolidated financial statements as at and for the year ending 30th April 2022.

The following amendments became effective and therefore were adopted by the Group.

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The above amendments have not had a material impact on profit, earnings per share and net assets.

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 amendments have not yet been adopted by the Group:

- Amendments to IAS 16 – Property, plant and equipment: proceeds before intended use (effective for annual periods beginning on or after 1st January 2022)

The Group does not expect the above amendments to have a material impact on profit, earnings per share and net assets in future periods.

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Notes (continued)

4. Accounting Estimates and Judgements

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 2021.

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. Operating Segments

Products and services from which reportable segments derive their revenues

In accordance with the requirements of IFRS 8 "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, pumps, surveillance and general engineering
- Refractory Engineering - jewellery investment casting powder and mineral processing

Information regarding the Group's operating segments is reported in the following tables:

Segmental Revenue

	Mechanical Engineering			Refractory Engineering			Sub Total		
	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Revenue									
External sales	41,544	43,121	86,616	27,340	19,507	44,615	68,884	62,628	131,231
Inter-segment sales	8,203	9,418	20,871	7,103	4,651	11,526	15,306	14,069	32,397
Total revenue	49,747	52,539	107,487	34,443	24,158	56,141	84,190	76,697	163,628
Reconciliation to consolidated revenues:									
Inter-segment sales							(15,306)	(14,069)	(32,397)
Consolidated revenue for the period							68,884	62,628	131,231

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

5. Operating Segments (continued)

Segmental Profits

	Mechanical Engineering			Refractory Engineering			Sub Total		
	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Profits									
Segment result including associates	<u>3,565</u>	<u>4,587</u>	<u>10,823</u>	<u>6,048</u>	<u>2,309</u>	<u>9,340</u>	<u>9,613</u>	6,896	20,163
Group administration costs							<u>(1,377)</u>	(799)	(3,009)
Group finance costs (net)							<u>(513)</u>	(323)	(640)
Consolidated profit before tax for the period							<u>7,723</u>	5,774	16,514
Tax							<u>(1,719)</u>	(1,289)	(3,508)
Consolidated profit after tax for the period							<u>6,004</u>	<u>4,485</u>	<u>13,006</u>

Segmental Assets and Liabilities

	Segmental total assets			Segmental total liabilities			Segmental net assets		
	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Mechanical Engineering	<u>104,014</u>	105,602	92,929	<u>76,441</u>	78,068	66,909	<u>27,573</u>	27,534	26,020
Refractory Engineering	<u>46,094</u>	42,239	44,114	<u>18,376</u>	21,643	20,591	<u>27,718</u>	20,596	23,523
Sub total reportable segment	<u>150,108</u>	<u>147,841</u>	<u>137,043</u>	<u>94,817</u>	<u>99,711</u>	<u>87,500</u>	<u>55,291</u>	48,130	49,543
Goodwin PLC (the Company) net assets							<u>75,450</u>	76,944	83,998
Elimination of Goodwin PLC investments							<u>(25,822)</u>	(25,801)	(25,392)
Goodwill							<u>9,730</u>	10,071	9,879
Consolidated total net assets							<u>114,649</u>	<u>109,344</u>	<u>118,028</u>

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

5. Operating Segments (continued)

Segmental Capital Expenditure

	Property, plant and equipment			Right-of-use assets			Intangible assets		
	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Goodwin PLC	6,094	4,107	5,315	1,078	690	1,180	188	29	151
Mechanical Engineering	2,228	2,459	4,952	-	71	1,146	420	495	1,123
Refractory Engineering	715	932	1,570	-	-	74	21	40	456
Total	9,037	7,498	11,837	1,078	761	2,400	629	564	1,730

Segmental Depreciation and Amortisation

	Depreciation			Amortisation and impairment		
	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000	Unaudited Half Year Ended 31st October 2021 £'000	Unaudited Half Year Ended 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Goodwin PLC	1,733	1,506	2,970	506	510	1,106
Mechanical Engineering	988	1,020	2,346	21	3	20
Refractory Engineering	667	613	1,352	220	232	440
Total	3,388	3,139	6,668	747	745	1,566

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

6. Geographical Segments

	Half Year Ended 31st October 2021				Half Year Ended 31st October 2020			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	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	17,815	76,575	92,602	8,854	17,928	72,558	85,076	6,638
Rest of Europe	9,212	8,069	3,878	926	9,598	9,208	3,515	183
USA	6,159	-	-	-	5,557	-	-	-
Pacific Basin	16,025	15,044	7,375	97	13,267	14,734	8,875	615
Rest of World	19,673	14,961	9,298	238	16,278	12,844	9,571	823
Total	68,884	114,649	113,153	10,115	62,628	109,344	107,037	8,259

	Year Ended 30th April 2021			
	Audited	Audited	Audited	Audited
	Revenue £'000	Operational net assets £'000	Non- current assets £'000	PPE Capital expenditure £'000
UK	39,755	81,982	89,944	11,911
Rest of Europe	21,473	8,309	3,264	276
USA	8,027	-	-	-
Pacific Basin	28,255	13,708	6,499	734
Rest of World	33,721	14,029	6,880	1,316
Total	131,231	118,028	106,587	14,237

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

7. Revenue

The Group's revenue is derived from contracts with customers. The following tables provide an analysis of revenue by geographical market and by product line.

	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000
Primary Geographical markets			
Unaudited half year ended 31st October 2021			
UK	11,256	6,559	17,815
Rest of Europe	5,327	3,885	9,212
USA	5,796	363	6,159
Pacific Basin	5,461	10,564	16,025
Rest of World	13,704	5,969	19,673
	<hr/>	<hr/>	<hr/>
Total	41,544	27,340	68,884
<hr/>			
Unaudited half year ended 31st October 2020			
UK	12,548	5,380	17,928
Rest of Europe	6,677	2,921	9,598
USA	5,444	113	5,557
Pacific Basin	4,698	8,569	13,267
Rest of World	13,754	2,524	16,278
	<hr/>	<hr/>	<hr/>
Total	43,121	19,507	62,628
<hr/>			
Audited year ended 31st April 2021			
UK	28,258	11,497	39,755
Rest of Europe	15,123	6,350	21,473
USA	7,596	431	8,027
Pacific Basin	10,899	17,356	28,255
Rest of World	24,740	8,981	33,721
	<hr/>	<hr/>	<hr/>
Total	86,616	44,615	131,231
<hr/>			
Product lines			
Unaudited half year ended 31st October 2021			
Standard products and consumables	5,105	27,340	32,445
Bespoke engineered products – point in time	6,022	-	6,022
	<hr/>	<hr/>	<hr/>
Point in time revenue	11,127	27,340	38,467
<hr/>			
Minimum period contracts for goods and services	1,879	-	1,879
Bespoke engineered products – over time	28,538	-	28,538
	<hr/>	<hr/>	<hr/>
Over time revenue	30,417	-	30,417
<hr/>			
Total revenue	41,544	27,340	68,884
<hr/>			

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

7. Revenue (continued)

	Mechanical Engineering £'000	Refractory Engineering £'000	Total £'000
Product lines			
Unaudited half year ended 31st October 2020			
Standard products and consumables	4,487	19,507	23,994
Bespoke engineered products – point in time	9,702	–	9,702
Point in time revenue	14,189	19,507	33,696
Minimum period contracts for goods and services	1,626	–	1,626
Bespoke engineered products – over time	27,306	–	27,306
Over time revenue	28,932	–	28,932
Total revenue	43,121	19,507	62,628
Audited half year ended 31st April 2021			
Standard products and consumables	10,630	44,615	55,245
Bespoke engineered products – point in time	11,203	–	11,203
Point in time revenue	21,833	44,615	66,448
Minimum period contracts for goods and services	3,306	–	3,306
Bespoke engineered products – over time	61,477	–	61,477
Over time revenue	64,783	–	64,783
Total revenue	86,616	44,615	131,231

8. Dividends

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

	Unaudited Half Year to 31st October 2021 £'000	Unaudited Half Year to 31st October 2020 £'000	Audited Year Ended 30th April 2021 £'000
Equity Dividends Paid:			
Ordinary dividends paid during the period in respect of the year ended 30th April 2021 (102.24p per share)	7,862	–	–
Ordinary dividends paid during the period in respect of the year ended 30th April 2020 (81.71p per share)	–	6,016	6,016
Total dividends paid during the period	7,862	6,016	6,016

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

9. Earnings Per Share

	Number of ordinary shares		
	Unaudited as at 31st October 2021	Unaudited as at 31st October 2020	Audited as at 30th April 2021
Ordinary shares in issue			
Opening balance	7,526,400	7,363,200	7,363,200
Shares issued in the period	163,200	163,200	163,200
Closing balance	7,689,600	7,526,400	7,526,400
Outstanding ordinary share options	–	163,200	163,200
Total ordinary shares (issued and options)	7,689,600	7,689,600	7,689,600
Weighted average number of ordinary shares in issue	7,689,600	7,364,087	7,445,024
Weighted average number of outstanding ordinary share options	–	162,632	162,651
Denominator used for diluted earnings per share calculation	7,689,600	7,526,719	7,607,675
	£'000	£'000	£'000
Relevant profits attributable to ordinary shareholders	5,546	4,171	12,494

10. Capital Management, Issuance and Repayment of Debt

At 31st October 2021 the capital utilised was £144,774,000 as shown below:

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000	Audited as at 30th April 2021 £'000
Cash and cash equivalents	(12,257)	(10,915)	(15,160)
Total lease liabilities (Note 14)	3,997	2,785	3,374
Bank loans and committed facilities (Note 14)	44,909	38,713	31,299
Bank overdrafts (Note 14)	–	1,872	–
Net debt in accordance with IFRS 16	36,649	32,455	19,513
Operating lease debt (IAS 17 definition)	(1,828)	(1,334)	(2,082)
Relevant net debt for KPI purposes	34,821	31,121	17,431
Total equity attributable to equity holders of the parent	109,953	104,482	113,141
Capital	144,774	135,603	130,572

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

11. Property, Plant and Equipment

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000	Unaudited as at 31st October 2020 £'000
	Property plant and equipment	Right-of-use assets	Property plant and equipment	Right-of-use assets
Net book value at the beginning of the period	77,063	3,691	69,626	5,343
Additions	9,037	1,078	7,498	761
Disposals (at net book value)	(117)	–	(104)	–
Depreciation	(2,932)	(456)	(2,715)	(424)
Exchange adjustment	(102)	(37)	99	48
Net book value at the end of the period	<u>82,949</u>	<u>4,276</u>	<u>74,404</u>	<u>5,728</u>

12. Intangible assets

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000
Net book value at the beginning of the period	24,813	24,695
Additions	629	564
Amortisation	(747)	(745)
Exchange adjustment	(195)	256
Net book value at the end of the period	<u>24,500</u>	<u>24,770</u>

13. Cash and cash equivalents

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000	Audited as at 30th April 2021 £'000
Cash and cash equivalents per balance sheet	12,257	10,915	15,160
Bank overdrafts	–	(1,872)	–
Cash and cash equivalents per cash flow statement	<u>12,257</u>	<u>9,043</u>	<u>15,160</u>

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

14. Interest-bearing liabilities

	Unaudited as at 31st October 2021 £'000	Unaudited as at 31st October 2020 £'000	Audited as at 30th April 2021 £'000
Bank overdrafts	–	1,872	–
Bank loans – repayable by instalments	833	749	761
Bank loans – rolling credit facilities	–	30,000	–
Lease liabilities	1,020	1,040	846
	<hr/>	<hr/>	<hr/>
Due within one year	1,853	33,661	1,607
	<hr/>	<hr/>	<hr/>
Bank loans – repayable by instalments	4,076	4,964	4,538
Bank loans – rolling credit facilities	40,000	3,000	26,000
Lease liabilities	2,977	1,745	2,528
	<hr/>	<hr/>	<hr/>
Due after more than one year	47,053	9,709	33,066
	<hr/>	<hr/>	<hr/>
Bank overdrafts	–	1,872	–
Bank loans – repayable by instalments	4,909	5,713	5,299
Bank loans – rolling credit facilities	40,000	33,000	26,000
Lease liabilities	3,997	2,785	3,374
	<hr/>	<hr/>	<hr/>
Total	48,906	43,370	34,673
	<hr/>	<hr/>	<hr/>

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes (continued)

15. Total Financial Assets and Financial Liabilities

The following table sets out the Group's accounting classification of its financial assets and financial liabilities, and their carrying amounts at 31st October 2021. The carrying amount is a reasonable approximation of fair value for all financial assets and financial liabilities.

	Fair value Fair value instruments £'000	Fair value through profit and loss (FVTPL) £'000	Amortised cost £'000	Total carrying amount / fair value amount £'000
Financial assets measured at fair value				
Forward exchange contracts used for hedging	1,153	–	–	1,153
Other forward exchange contracts	–	2,081	–	2,081
Interest rate SWAP	380	–	–	380
	<u>1,533</u>	<u>2,081</u>	<u>–</u>	<u>3,614</u>
Financial assets not measured at fair value				
Cash and cash equivalents	–	–	12,257	12,257
Contract assets	–	–	13,245	13,245
Trade receivables and other financial assets	–	–	23,940	23,940
Corporation tax receivable	–	–	1,083	1,083
	<u>–</u>	<u>–</u>	<u>50,525</u>	<u>50,525</u>
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging	457	–	–	457
Other forward exchange contracts	–	1,141	–	1,141
	<u>457</u>	<u>1,141</u>	<u>–</u>	<u>1,598</u>
Financial liabilities not measured at fair value				
Bank loans	–	–	44,909	44,909
Lease liabilities	–	–	3,997	3,997
Contract liabilities	–	–	14,542	14,542
Trade payables and other financial liabilities	–	–	16,606	16,606
Corporation tax payable	–	–	1,689	1,689
	<u>–</u>	<u>–</u>	<u>81,743</u>	<u>81,743</u>

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year ended 31st October 2021

Notes *(continued)*

15. Total Financial Assets and Financial Liabilities *(continued)*

The forward exchange and interest rate SWAP contract 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.

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).