GOODWIN PLC

IVY HOUSE FOUNDRY, HANLEY, STOKE-ON-TRENT

INTERIM REPORT

31st OCTOBER 2013

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year ended 31st October 2013

CHAIRMAN'S STATEMENT

I am pleased to report that the pre-tax profits for the Group for the six month period ending 31st October 2013 were £12.3 million (2012: £10.4 million), an increase of 18% from a revenue of £71.3 million.

The Group order book remains healthy and represents an order back log on average of just over six months although this is not evenly spread amongst the 20 trading companies. The continued excellent profitability achieved results from the dynamic performance of our employees and our companies being able to address the market needs.

The significant capital expenditure programme detailed in the year end accounts is progressing according to plan and should help the Group continue to grow in years to come be it by nature of additional trained skilled workers and managers, additional manufacturing facilities or additional products for our companies to make and sell.

The Company has since the year end secured an additional £8 million of committed bank facilities as, despite the cash generation we are planning over the next two years, the Board considered it a prudent policy to guarantee that our facilities would continue to be available to the Group should they be needed.

The Company's strategy focus and business as described on the investors section of the website www.goodwin.co.uk/2013/full-presentation continues to be based on maintaining an engineering commitment with investment criteria aimed at profitable, efficient, economic supply of technically advanced products to growth markets.

The challenge faced in nearly all our Group companies is to ensure we have in place enough competent trained people to cope with our growth and global activities. It is our team of people that is creating the success and growth and it remains a key corporate management activity to ensure that this demand is satisfied. We have many young people progressing within the Company and our investment in and further training of these people will determine the future. In the mean time, the Board wishes to thank all our employees for their unwavering loyalty, devotion and hard work.

J. W. Goodwin
Chairman

19th December 2013

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year ended 31st October 2013

Management report

The turnover for the first 6 months of this new financial year increased slightly by 4% but was some 10% behind the possibility based on work load due to delays on certain contracts resulting from changed order requirements and slow processing of documents for approval. This has had an unacceptable effect on the Group cash flow and management is seeking to redress this issue in the second half of the financial year. Management have also had to contend with the disruption caused by the significant construction and training programmes currently being undertaken.

The pre-tax profit has increased by 18% in the first half of the financial year and the current order backlog is sufficient for the activity level in the Group in the second half of the financial year to be similar to the first half. Goodwin International in particular out of the engineering companies again has performed exceptionally well and has continued to expand its manufacturing facilities to cope with the work load.

Financial Highlights

Consolidated Results	**Unaudited Half Year to 31st October 2013 £'m**	Unaudited Half Year to 31st October 2012 £'m	Audited Year Ended 30th April 2013 £'m
Sales revenue	71.3	68.4	127.0
Operating profit	12.5	10.8	21.2
Profit before tax	12.3	10.4	20.3
Profit after tax	9.8	7.8	15.7
Capital Expenditure	8.3	4.2	9.4
Earnings per share (Basic and Diluted)	131.28p	105.74p	211.76p

Turnover

Sales revenue of £71.3 million for the half year represents a 4% increase over the £68.4 million achieved during the same period last year.

Profit Before Tax

Profit before tax for the six months of £12.3 million is up 18% from the £10.4 million achieved for the same six month period last year.

Risks and Uncertainties

The Group has in place internal control procedures which, in conjunction with its centralised management structure, identify and manage the key risks and uncertainties affecting the Group.

We would refer you to note 20 (page 35) of the Group annual accounts to 30th April 2013 which describes in detail the key risks and uncertainties affecting the business such as credit risk and foreign exchange risk. This position remains unchanged at the end of October 2013.

As we wrote in our half yearly report this time last year, our biggest risk / unknown is the relationship of the major currency pairs. The US Dollar at the moment seems to be firming up at a weaker position than of late, which will start to put pressure on margins when we

Management report *(continued)*

are competing with suppliers in the USA or countries that have their currencies closely linked to the US Dollar. There also appears to be a similar weakness in the Euro with the exchange rate to the Pound Sterling often being around the 1.20 mark. The Japanese have also taken aggressive steps to weaken their currency which perversely may help us win more business in Japan as their main contractors become more competitive when they are bidding internationally. Our global competitiveness should in part be protected by our overseas manufacturing and material sourcing activities, but the continued volatility of exchange rates remains a concern as it must be to all international trading companies.

Report on Expected Developments

This report describes the expected developments of the Group during the year ended 30th April 2014. 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.

2014 Outlook

The order book is again at a new historical high for the Group providing opportunity for a similar pre-tax profit result in the second half of the year.

All three grant assisted projects are progressing well with the third group of 25 apprentices starting in February 2014. The major building programme on the site adjacent to the foundry will have its first phase completed on schedule by January 2014, as will the construction work at Goodwin International. The foundry has made for Toshiba in Japan the super nickel castings for the NET POWER high efficiency turbine and has also cast the same castings in a next generation super nickel alloy.

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).

J. W. Goodwin
Chairman

19th December 2013

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year ended 31st October 2013

Condensed consolidated income statement
for the half year to 31st October 2013

	Unaudited Half Year to 31st October 2013 £'000	Unaudited Half Year to 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Continuing operations			
Revenue	71,264	68,393	126,964
Cost of sales	(48,806)	(48,598)	(86,404)
Gross profit	22,458	19,795	40,560
Distribution expenses	(1,823)	(1,591)	(3,378)
Administrative expenses	(8,104)	(7,405)	(16,026)
Operating profit	12,531	10,799	21,156
Financial expenses	(395)	(537)	(1,133)
Share of profit of associate companies	144	136	273
Profit before taxation	12,280	10,398	20,296
Tax on profit	(2,488)	(2,550)	(4,609)
Profit after taxation	9,792	7,848	15,687
Attributable to:			
Equity holders of the parent	9,452	7,613	15,247
Non-controlling interests	340	235	440
Profit for the period	9,792	7,848	15,687
Basic and diluted earnings per ordinary share	131.28p	105.74p	211.76p

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for the half year ended 31st October 2013

Condensed consolidated statement of comprehensive income
for the half year to 31st October 2013

	Unaudited Half Year to 31st October 2013 £'000	Unaudited Half Year to 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Profit for the period	**9,792**	7,848	15,687
Other comprehensive income / (expense)			
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange translation differences	**(1,111)**	(203)	1,123
Effective portion of changes in fair value of cash flow hedges	**1,742**	(492)	(170)
Net change in fair value of cash flow hedges reclassified to profit or loss	**256**	486	(492)
Tax on items that are or may be reclassified subsequently to profit or loss	**(429)**	(2)	149
Other comprehensive income / (expense) for the period, net of income tax	**458**	(211)	610
Total comprehensive income for the period	**10,250**	7,637	16,297
Attributable to:			
Equity holders of the parent	**10,191**	7,399	15,627
Non-controlling interests	**59**	238	670
	10,250	7,637	16,297

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for the half year ended 31st October 2013

Condensed consolidated statement of changes in equity
for the half year to 31st October 2013

	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 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 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**
Half year to 31st October 2012 (Unaudited)							
Balance at 1st May 2012	720	830	(233)	43,720	45,037	3,671	48,708
Total comprehensive income:							
Profit	–	–	–	7,613	7,613	235	7,848
Other comprehensive income:							
Foreign exchange translation difference	–	(206)	–	–	(206)	3	(203)
Net movements on cash flow hedges	–	–	(8)	–	(8)	–	(8)
Total comprehensive income for the period	**–**	**(206)**	**(8)**	**7,613**	**7,399**	**238**	**7,637**
Transactions with owners of the Company recognised directly in equity:							
Dividends paid	–	–	–	(2,310)	(2,310)	–	(2,310)
Balance at 31st October 2012	**720**	**624**	**(241)**	**49,023**	**50,126**	**3,909**	**54,035**
Year ended 30th April 2013 (Audited)							
Balance at 1st May 2012	720	830	(233)	43,720	45,037	3,671	48,708
Total comprehensive income:							
Profit	–	–	–	15,247	15,247	440	15,687
Other comprehensive income:							
Foreign exchange translation difference	–	893	–	–	893	230	1,123
Net movements on cash flow hedges	–	–	(513)	–	(513)	–	(513)
Total comprehensive income for the period	**–**	**893**	**(513)**	**15,247**	**15,627**	**670**	**16,297**
Transactions with owners of the Company recognised directly in equity:							
Dividends paid	–	–	–	(2,310)	(2,310)	(168)	(2,478)
Balance at 30th April 2013	**720**	**1,723**	**(746)**	**56,657**	**58,354**	**4,173**	**62,527**

GOODWIN PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year ended 31st October 2013

Condensed consolidated balance sheet
as at 31st October 2013

	Unaudited as at 31st October 2013 £'000	Unaudited as at 31st October 2012 £'000	Audited as at 30th April 2013 £'000
Non-current assets			
Property, plant and equipment	**38,632**	**28,465**	33,308
Intangible assets	**11,419**	**12,045**	11,496
Investments in associates	**1,339**	**1,383**	1,314
	51,390	**41,893**	46,118
Current assets			
Inventories	**27,823**	**30,475**	31,833
Trade and other receivables	**40,012**	**36,144**	34,953
Derivative financial assets	**2,672**	**624**	809
Cash and cash equivalents	**3,523**	**2,813**	5,514
	74,030	**70,056**	73,109
Total assets	**125,420**	**111,949**	119,227
Current liabilities			
Bank overdrafts	**3,487**	**14,540**	77
Other interest-bearing loans and borrowings	**2,953**	**371**	1,902
Trade and other payables	**30,003**	**20,857**	29,994
Deferred consideration	**500**	**500**	500
Derivative financial liabilities	**1,549**	**1,412**	1,231
Liabilities for current tax	**3,194**	**2,859**	2,423
Warranty provision	**212**	**587**	378
	41,898	**41,126**	36,505
Non-current liabilities			
Other interest-bearing loans and borrowings	**11,525**	**13,663**	17,130
Warranty provision	**537**	**349**	484
Deferred tax liabilities	**2,494**	**2,776**	2,581
	14,556	**16,788**	20,195
Total liabilities	**56,454**	**57,914**	56,700
Net assets	**68,966**	**54,035**	62,527
Equity attributable to equity holders of the parent			
Share capital	**720**	**720**	720
Translation reserve	**893**	**624**	1,723
Cash flow hedge reserve	**823**	**(241)**	(746)
Retained earnings	**62,316**	**49,023**	56,657
Total equity attributable to equity holders of the parent	**64,752**	**50,126**	58,354
Non-controlling interests	**4,214**	**3,909**	4,173
Total equity	**68,966**	**54,035**	62,527

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year ended 31st October 2013

Condensed consolidated cash flow statement
for the half year ended 31st October 2013

	Unaudited Half Year to 31st October 2013 £'000	Unaudited Half Year to 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Cash flow from operating activities			
Profit from continuing operations after tax	**9,792**	7,848	15,687
Adjustments for:			
Depreciation	**1,749**	1,629	2,792
Amortisation of intangible assets	**357**	396	738
Financial expense	**395**	537	1,133
Loss / (profit) on sale of property, plant and equipment	**11**	(20)	(20)
Share of profit of associate companies	**(144)**	(136)	(273)
Tax expense	**2,488**	2,550	4,609
Operating profit before changes in working capital and provisions	**14,648**	12,804	24,666
Increase in trade and other receivables	**(5,319)**	(11,880)	(9,144)
Decrease in inventories	**3,606**	2,028	1,098
(Decrease) / increase in trade and other payables excluding payments on account	**(2,105)**	(6,588)	85
Increase in payments on account	**3,097**	1,091	1,577
Cash generated from operations	**13,927**	(2,545)	18,282
Interest paid	**(424)**	(514)	(1,097)
Corporation tax paid	**(2,222)**	(2,027)	(4,581)
Interest element of finance lease obligations	**(13)**	(22)	(19)
Net cash inflow / (outflow) from operating activities	**11,268**	(5,108)	12,585
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	**10**	127	144
Proceeds from disposal of intangible property	**–**	–	265
Acquisition of property, plant and equipment	**(8,459)**	(4,065)	(9,409)
Purchase of non-controlling interest	**(241)**	–	–
Additional payment for existing subsidiary	**(45)**	(8)	(8)
Payment of deferred purchase creditor	**–**	(2,756)	(2,755)
Dividends received from associate company	**–**	–	308
Net cash outflow from investing activities	**(8,735)**	(6,702)	(11,455)
Cash flows from financing activities			
Dividends paid	**(3,811)**	(2,310)	(2,310)
Dividends paid to non-controlling interests	**–**	–	(168)
Proceeds from loans	**5,000**	1,589	5,028
Repayment of loans	**(9,139)**	(4,071)	(3,077)
Payment of capital element of finance lease obligations	**(188)**	(104)	(303)
Receipt of grant for fixed assets	**364**	–	–
Net cash outflow from financing activities	**(7,774)**	(4,896)	(830)
Net (decrease) / increase in cash and cash equivalents	**(5,241)**	(16,706)	300
Opening cash and cash equivalents	**5,437**	5,019	5,019
Effect of exchange rate fluctuations on cash held	**(160)**	(40)	118
Closing cash and cash equivalents	**36**	(11,727)	5,437

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 2013 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 2013 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 2013.

The comparative figures for the financial year ended 30th April 2013 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.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 19th December 2013.

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 2013. New standards to be adopted in the current year, being IFRS13, Amendments to IAS1 and the Annual Improvements project, are not expected to have a significant impact on the financial statements.

Notes *(continued)*

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 2013.

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
- Refractories Engineering - powder manufacture and mineral processing

Information regarding the Group's operating segments is reported below.

Notes *(continued)*

Segment revenues and profits

	Mechanical Engineering			Refractories Engineering			Sub Total		
	Unaudited Half Year Ended 31st October 2013 £'000	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Revenue									
External sales	**55,258**	53,502	97,227	**16,006**	14,891	29,737	**71,264**	68,393	126,964
Intra-Group sales	**10,660**	11,525	22,407	**2,169**	2,362	4,588	**12,829**	13,887	26,995
Total revenue	**65,918**	65,027	119,634	**18,175**	17,253	34,325	**84,093**	82,280	153,959
Reconciliation to consolidated revenues:									
Intra-Group sales							**(12,829)**	(13,887)	(26,995)
Consolidated revenue for the period							**71,264**	68,393	126,964

	Mechanical Engineering			Refractories Engineering			Sub Total		
	Unaudited Half Year Ended 31st October 2013 £'000	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Profits									
Segment result including associates	**11,167**	9,402	18,889	**1,665**	1,628	3,154	**12,832**	11,030	22,043
Group administration costs							**(157)**	(95)	(614)
Group finance and treasury costs							**(395)**	(537)	(1,133)
Consolidated profit before tax for the period							**12,280**	10,398	20,296
Tax							**(2,488)**	(2,550)	(4,609)
Consolidated profit after tax for the period							**9,792**	7,848	15,687

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Notes *(continued)*

Segmental assets and liabilities

	Segmental total assets			Segmental total liabilities			Segmental net assets		
	Unaudited Half Year Ended 31st October 2013 £'000	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000	**Unaudited Half Year Ended 31st October 2013 £'000**	Unaudited Half Year Ended 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Mechanical Engineering	**73,875**	66,599	66,047	**49,287**	45,999	50,339	**24,588**	20,600	15,708
Refractories Engineering	**23,456**	24,497	25,079	**9,822**	11,429	11,749	**13,634**	13,068	13,330
Sub total reportable segment	**97,331**	91,096	91,126	**59,109**	57,428	62,088	**38,222**	33,668	29,038
Goodwin PLC (the Company) net assets							**41,103**	29,167	43,214
Investments elimination / goodwill adjustments							**(8,524)**	(7,249)	(8,357)
Other consolidation adjustments							**(1,835)**	(1,551)	(1,368)
Consolidated total net assets							**68,966**	54,035	62,527

Notes *(continued)*

Geographical segments

	Half Year Ended 31st October 2013				Half Year Ended 31st October 2012			
	Unaudited Revenue £'000	**Unaudited Operational assets £'000**	**Unaudited Non current assets £'000**	**Unaudited PPE Capital expenditure £'000**	Unaudited Revenue £'000	Unaudited Operational assets £'000	Unaudited Non current assets £'000	Unaudited PPE Capital expenditure £'000
UK	**14,442**	**55,063**	**44,776**	**7,652**	14,227	41,255	35,223	2,724
Rest of Europe	**11,393**	**4,725**	**442**	**108**	10,848	4,139	343	236
USA	**9,485**	**–**	**–**	**–**	2,970	–	–	–
Pacific Basin	**19,377**	**7,624**	**1,356**	**126**	25,758	6,412	808	896
Rest of World	**16,567**	**1,554**	**4,816**	**429**	14,590	2,229	5,519	298
Total	**71,264**	**68,966**	**51,390**	**8,315**	68,393	54,035	41,893	4,154

	Year Ended 30th April 2013			
	Audited Revenue £'000	Audited Operational assets £'000	Audited Non current assets £'000	Audited PPE Capital expenditure £'000
UK	26,865	47,952	38,815	8,116
Rest of Europe	21,456	4,909	555	62
USA	8,010	–	–	–
Pacific Basin	43,056	7,339	1,430	1,171
Rest of World	27,577	2,327	5,318	449
Total	126,964	62,527	46,118	9,798

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.

6. Dividends

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

	Unaudited Half Year to 31st October 2013 £'000	Unaudited Half Year to 31st October 2012 £'000	Audited Year Ended 30th April 2013 £'000
Equity Dividends Paid:			
Ordinary dividends paid during the period in respect of the year ended 30th April 2013 *(35.29p per share)*	**2,541**	–	–
Extraordinary dividends paid during the period in respect of the year ended 30th April 2013 *(17.645p per share)*	**1,270**	–	–
Ordinary dividends paid during the period in respect of the year ended 30th April 2012 *(32.082p per share)*	**–**	2,310	2,310
	3,811	2,310	2,310

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 £9,452,000 (six months to 31st October 2012: £7,613,000). The Company has no share options or other diluting interest and accordingly, there is no difference in the calculation of diluted earnings per share.

Notes *(continued)*

8. Capital Management, issuance and repayment of debt

At 31st October 2013 the capital utilised was £79,694,000 as shown below

	Unaudited as at 31st October 2013 £'000	Unaudited as at 31st October 2012 £'000	Audited as at 30th April 2013 £'000
Cash and cash equivalents	**(3,523)**	(2,813)	(5,514)
Bank overdrafts	**3,487**	14,540	77
Finance leases	**869**	1,164	1,059
Bank loans	**13,609**	12,870	17,973
Deferred consideration	**500**	500	500
Net debt	**14,942**	26,261	14,095
Total equity attributable to equity holders of the parent	**64,752**	50,126	58,354
Capital	**79,694**	76,387	72,449

9. Property, Plant and Equipment

Fixed asset additions were £8,315,000 during the six month period to 31st October 2013, with the Group progressing on its capital projects, most of which were still in the course of construction at the period end. Other movements in fixed assets were: capital grants received of £364,000; capitalised interest of £42,000; depreciation of £1,749,000; and other reductions due to the effect of exchange adjustments of £900,000, and disposals of £20,000.

During the six month period to 31st October 2012: the Group had fixed asset additions of £4,154,000 on various capital projects throughout the Group; depreciation of £1,629,000; and other movements were the effect of exchange adjustments of £161,000, and disposals of £107,000.

10. Intangible assets

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 been paid and the acquisition of part of a minority interest in an existing subsidiary; reduced by amortisation of £357,000 and the effect of exchange adjustments of £6,000.

During the six month period to 31st October 2012, intangible assets were reduced by amortisation of £396,000 and by the effect of exchange adjustments of £90,000.

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 2013. 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	**3,523**
Receivables	
Trade receivables	**36,090**
Other receivables and prepayments	**3,922**
At fair value through profit or loss	
Derivative financial assets not designated in a cash flow hedge relationship	**428**
Designated cash flow hedge relationships	
Derivative financial assets designated and effective as cash flow hedging instruments	**2,244**
Total financial assets	**46,207**
Financial liabilities	
Financial liabilities at amortised cost	
Bank overdraft	**3,487**
Trade payables	**14,217**
Other payables	**7,369**
Deferred consideration	**500**
Finance lease liabilities	**869**
Bank loans	**13,609**
Warranty provisions	**749**
Corporation tax	**3,194**
At fair value through profit or loss	
Derivative financial liabilities not designated in a cash flow hedge relationship	**333**
Designated cash flow hedge relationships	
Derivative financial liabilities designated and effective as cash flow hedging instruments	**1,216**
Total financial liabilities	**45,543**

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).