

GLOBAL MSI Plc

REPORTS AND FINANCIAL STATEMENTS

For the year ended 29 April 2006

Company Registration Number: 2849288



GLOBAL MSI Plc

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GLOBAL MSI Plc

DIRECTORS AND OFFICERS

DIRECTORS

I.L. Donald
M.J. Bell
T. Fernley
M.G. Froud
A.C.G. Galanis
M.P.A. O'Connell
D. Pyle
T.L. Donald

SECRETARY

T. Fernley

REGISTERED OFFICE

Carr Hill
Balby
Doncaster
DN4 8DH

AUDITORS

Baker Tilly
Garrick House
76-80 High Street
Old Fletton
Peterborough
PE2 8ST

GLOBAL MSI Plc

DIRECTORS REPORT

The directors present their report and financial statements of GLOBAL MSI Plc for the year ended 29 April 2006.

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was that of the design, fabrication and erection of petrol station canopies and infrastructure products.

BUSINESS REVIEW

For the year ended 29th April 2006 profit before taxation of £1,258,996 (2005 - £738,757) was achieved on sales of £15,395,013 (2005 - £12,092,654). Net funds increased by £687,990 from £744,992 to £1,432,982.

The group continues to build on its recognised international market strengths as a leading designer, manufacturer and installer of petrol station canopies and associated infrastructure products.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the company are a reduction in the size of the market and a reduction in our share of it.

Continued efforts have been made to ensure that efficiency in production for, and service to, our customers is maximised in order to maintain our market position.

We remain committed to developing the strength of our business by meeting the needs of our customers.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using other KPI's is not necessary for an understanding of the development, performance or position of the business.

SUBSTANTIAL SHAREHOLDERS

The company's shareholders are Portman International Securities Limited and MS International Plc which each own 50% of the issued ordinary share capital of the company. Each of the shareholders is entitled to appoint half of the Board. Certain directors of the company have interests in the shares of the respective joint parent undertakings. These are disclosed in those companies' accounts.

EVENTS SINCE THE END OF THE YEAR

There have been no events since the balance sheet date which materially affect the position of the group.

RESULTS AND DIVIDENDS

The consolidated profit and loss account for the year is set out on page 6.

The trading profit of the group for the year after taxation was £892,402.

The directors have paid an ordinary interim dividend amounting to £350,000 (2005: £400,000) and they do not recommend payment of a final dividend.

GLOBAL MSI Plc

DIRECTORS REPORT (CONTINUED)

DIRECTORS

The following directors have held office since 1 May 2005:

I.L. Donald
M.J. Bell
T. Fernley
M.G. Froud
A.C.G. Galanis
M.P.A. O'Connell
D. Pyle
T.L. Donald

DIRECTORS' INTERESTS IN SHARES

No director has any interest in the ordinary shares of the company nor in the shares of any of the subsidiary companies. No director has been granted the right to acquire shares in the company or any of its subsidiary companies.

CREDIT PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 46 days (2005: 41 days) purchases.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to re-appoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the board



T. Fernley

Secretary

Date: 24. 11. 2006

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GLOBAL MSI Plc

INDEPENDENT AUDITORS' REPORT

Independent auditor's report to the members of GLOBAL MSI Plc

We have audited the financial statements on pages 6 to 21.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Directors' Report only. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information.

BASIS OF AUDIT OPINION

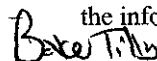
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company and group's affairs as at 29 April 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and the information given in the Directors' Report is consistent with the financial statements.


BAKER TILLY
Registered Auditor
Chartered Accountants
Garrick House
76-80 High Street
Old Fletton
Peterborough, PE2 8ST

Date: 24/11/06

GLOBAL MSI Plc

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 29 April 2006

	<i>Notes</i>	2006 £	2005 £
TURNOVER	1	15,395,013	12,092,654
Cost of sales		<u>11,602,058</u>	<u>9,195,004</u>
Gross profit		3,792,955	2,897,650
Other operating expenses (net)	2	<u>2,550,850</u>	<u>2,172,236</u>
OPERATING PROFIT		1,242,105	725,414
Interest receivable and similar income	3	<u>17,025</u>	<u>13,762</u>
		1,259,130	739,176
Interest payable and similar charges	4	<u>134</u>	<u>419</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,258,996	738,757
Taxation	7	<u>366,594</u>	<u>232,942</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u>892,402</u>	<u>505,815</u>

The operating profit for the year arises from the group's continuing operations.

GLOBAL MSI Plc

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 29 April 2006

	2006 £	2005 £
Profit for the financial year	892,402	505,815
Currency translation differences on foreign currency net investments	<u>69,012</u>	<u>29,525</u>
Total gains and losses recognised since last financial statements	<u>961,414</u>	<u>535,340</u>

GLOBAL MSI Plc

CONSOLIDATED AND COMPANY BALANCE SHEET

At 29 April 2006

	Notes	2006 Group £	2005 Group £	2006 Company £	2005 Company £
FIXED ASSETS					
Intangible fixed assets	10	-	1,002	-	-
Tangible fixed assets	11	734,834	616,429	601,269	553,512
Investments	12	-	-	31,726	31,726
		<u>734,834</u>	<u>617,431</u>	<u>632,995</u>	<u>585,238</u>
CURRENT ASSETS					
Stocks	13	552,725	525,287	511,086	489,756
Debtors	14	1,815,690	2,292,831	1,693,970	2,236,388
Cash at bank and in hand		<u>1,432,982</u>	<u>744,992</u>	<u>867,898</u>	<u>281,289</u>
		3,801,397	3,563,110	3,072,954	3,007,433
CREDITORS					
Amounts falling due within one year	15	<u>(2,528,116)</u>	<u>(2,783,840)</u>	<u>(2,358,432)</u>	<u>(2,598,298)</u>
NET CURRENT ASSETS		<u>1,273,281</u>	<u>779,270</u>	<u>714,522</u>	<u>409,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,008,115</u>	<u>1,396,701</u>	<u>1,347,517</u>	<u>994,373</u>
CAPITAL AND RESERVES					
Called up share capital	16	100,000	100,000	100,000	100,000
Profit and loss account	18	<u>1,908,115</u>	<u>1,296,701</u>	<u>1,247,517</u>	<u>894,373</u>
EQUITY SHAREHOLDERS' FUNDS					
	19	<u>2,008,115</u>	<u>1,396,701</u>	<u>1,347,517</u>	<u>994,373</u>

Approved by the board on 24.11.2006 and authorised for issue on 24.11.2006
and are signed on its behalf by:

M.P.A. O'Connell

M. O'Connell

Director

I.L. Donald

I.L. Donald

Director

GLOBAL MSI Plc

CONSOLIDATED CASH FLOW STATEMENT For the year ended 29 April 2006

	<i>Notes</i>	2006 £	2005 £
Net cash inflow from operating activities	20	1,641,570	398,592
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		17,025	13,762
Interest paid		<u>(134)</u>	<u>(419)</u>
Net cash inflow from returns on investment and servicing of finance		16,891	13,343
TAXATION		(261,020)	(237,871)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(401,915)	(439,328)
Receipts from sales of tangible fixed assets		<u>42,464</u>	<u>18,802</u>
Net cash inflow / (outflow) from capital expenditure		(359,451)	(420,526)
EQUITY DIVIDENDS PAID		<u>(350,000)</u>	<u>(400,000)</u>
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>687,990</u>	<u>(646,462)</u>

GLOBAL MSI Plc

ACCOUNTING POLICIES

For the year ended 29 April 2006

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the results of the parent company and all of its subsidiary undertakings as at 29 April 2006 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition. Intra group turnover and results are eliminated on consolidation and all turnover and results relate to external transactions only.

GOODWILL

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors estimate of its useful economic life of 5 years. Impairment tests on the carrying value of the goodwill are undertaken:

- At the end of the first full financial year following acquisition; and
- In the other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

TURNOVER

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

DEPRECIATION

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets other than assets in the course of construction at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold improvements	- 5 years straight line
Plant and machinery	- 8 years straight line
Computer equipment	- 3 years straight line
Fixtures, fittings and equipment	- 5 years straight line
Motor vehicles	- 3 years reducing balance

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

STOCK AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchases on a first in, first out basis and in the case of work in progress includes an appropriate proportion of production overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

GLOBAL MSI Plc

ACCOUNTING POLICIES (continued)

For year ended 29 April 2006

DEFERRED TAXATION

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS

The annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

PENSION CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the group during the year.

FOREIGN CURRENCY TRANSLATION

Foreign currency transactions of individual companies are translated at the rates ruling when occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings and from translating the profit and loss account at an average rate are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

FOREIGN CURRENCY CONTRACTS

Gains arising on speculative forward contracts are not recognised in the profit and loss until the exercise date, with foreseen currency losses being recognised immediately.

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit before taxation were all derived from its principal activity.

No geographical analysis of turnover, operating profit and net assets has been provided because in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the group.

2 OTHER OPERATING EXPENSES (NET)

	2006 £	2005 £
Administrative expenses	1,912,400	1,555,560
Distribution costs	669,948	629,919
(Profit) on foreign exchange transactions	(31,498)	(13,243)
	<u>2,550,850</u>	<u>2,172,236</u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Bank interest	<u>17,025</u>	<u>13,762</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
On bank loans and overdrafts	<u>134</u>	<u>419</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2006 £	2005 £
Amortisation of intangible assets	1,002	50,988
Depreciation of tangible assets:		
Charge for the year:		
Owned assets	270,589	211,371
Profit on disposals	(29,543)	(18,802)
Operating lease rentals:		
Plant and machinery	8,494	23,440
(Profit) on foreign exchange transactions	(31,498)	(13,243)
Auditors' remuneration (company £12,260; 2005: £13,400)	12,260	13,400
Non-audit services	<u>2,980</u>	<u>3,625</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2006 No	2005 No
Production	75	68
Technical	36	34
Distribution and selling	4	3
Administration	5	5
	<u>120</u>	<u>110</u>

Staff costs for the above persons:

	2006 £	2005 £
Wages and salaries	3,339,046	2,934,365
Social security costs	354,061	299,459
Other pension costs	49,412	46,817
	<u>3,733,519</u>	<u>3,280,641</u>

DIRECTORS' REMUNERATION

	2006 £	2005 £
In respect of the directors:		
Emoluments for qualifying services	391,933	354,988
Company pension contributions to the group personal schemes	14,140	14,630
	<u>406,073</u>	<u>369,618</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2006 £	2005 £
Emoluments for qualifying services	149,468	144,870
Company pension contributions to group personal schemes	<u>4,043</u>	<u>3,793</u>

There were 2 directors (2005: 2) in the company's group personal pension scheme during the year. 1 director (2005: 1) was in the group personal pension scheme of MS International Plc during the year.

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

7 TAXATION

	2006 £	2005 £
UK corporation tax	266,939	159,951
Adjustment for prior years	(10,468)	2,570
Foreign corporation tax	110,123	70,421
	<u>366,594</u>	<u>232,942</u>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	<u>1,258,996</u>	<u>738,757</u>
Profit on ordinary activities before taxation multiplied by the following rate of UK corporation tax of 30% (2005: 30%)	<u>377,699</u>	<u>221,627</u>
Effects of:		
Non deductible expenses	14,189	13,587
Capital allowances in excess of depreciation	(2,429)	(3,375)
Adjustment for prior years	(10,468)	2,570
Other tax adjustments	(12,397)	(1,467)
	<u>(11,105)</u>	<u>11,315</u>
Current tax charge	<u>366,594</u>	<u>232,942</u>

8 PROFIT FOR THE FINANCIAL YEAR

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The parent's profit for the financial period is £703,144 (2005: profit £450,227).

9 DIVIDENDS

	2006 £	2005 £
Ordinary:		
Interim paid – £3.50 (2005: £4.00) per share	<u>350,000</u>	<u>400,000</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS For the year ended 29 April 2006

10 INTANGIBLE FIXED ASSETS

Group

	Other intangible assets £	Goodwill £	Total £
Cost:			
At 1 May 2005 and 29 April 2006	10,000	373,411	383,411
Amortisation:			
At 1 May 2005	10,000	372,409	382,409
Charge for year	-	1,002	1,002
At 29 April 2006	10,000	373,411	383,411
Net book value:			
At 29 April 2006	-	-	-
At 1 May 2005	-	1,002	1,002

Company

	Other intangible assets £	Goodwill £	Total £
Cost:			
At 1 May 2005 and 29 April 2006	10,000	372,411	382,411
Amortisation:			
At 1 May 2005	10,000	372,411	382,411
Charge for year	-	-	-
At 29 April 2006	10,000	372,411	382,411
Net book value:			
At 29 April 2006	-	-	-
At 1 May 2005	-	-	-

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

11 TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £	Assets in the course of construction £	Plant and machinery £	Motor vehicles £	Total £
Cost:					
At 1 May 2005	108,800	24,513	971,919	507,374	1,612,606
Additions	-	-	239,850	162,065	401,915
Transfer	-	(24,513)	24,513	-	-
Disposals	-	-	(74,436)	(95,816)	(170,252)
At 29 April 2006	108,800	-	1,161,846	573,623	1,844,269
Depreciation:					
At 1 May 2005	108,799	-	614,418	272,960	996,177
Charge for year	-	-	128,752	141,837	270,589
Disposals	-	-	(72,730)	(84,601)	(157,331)
At 29 April 2006	108,799	-	670,440	330,196	1,109,435
Net book value:					
At 29 April 2006	1	-	491,406	243,427	734,834
At 1 May 2005	1	24,513	357,501	234,414	616,429

Company

	Leasehold improvements £	Assets in the course of construction £	Plant and machinery £	Motor vehicles £	Total £
Cost:					
At 1 May 2005	108,800	24,513	909,087	440,052	1,482,452
Additions	-	-	213,210	69,468	282,678
Transfer	-	(24,513)	24,513	-	-
Disposals	-	-	(73,748)	(84,442)	(158,190)
At 29 April 2006	108,800	-	1,073,062	425,078	1,606,940
Depreciation:					
At 1 May 2005	108,799	-	579,684	240,457	928,940
Charge for year	-	-	104,849	119,583	224,432
Disposals	-	-	(69,925)	(77,776)	(147,701)
At 29 April 2006	108,799	-	614,608	282,264	1,005,671
Net book value:					
At 29 April 2006	1	-	458,454	142,814	601,269
At 1 May 2005	1	24,513	329,403	199,595	553,512

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

12 FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

Cost:

At 1 May 2005 & 29 April
2006

31,726

At 1 May 2005

31,726

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%	Nature of business
Subsidiary undertakings:				
Conder Limited	England	Ordinary	100	Dormant
GLOBAL MSI Espana sa	Spain	Ordinary	100	Dormant
GLOBAL MSI (Overseas) Limited	England	Ordinary	100	Parent Company
GLOBAL MSI Sp zoo (formerly known as Conder Sp.zoo)	Poland	Ordinary (Indirect)	100	Installation of canopies

For all undertakings listed above, the country of operation is the same as its country of incorporation or registration.

13 STOCKS

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Raw materials and consumables	286,952	237,447	273,443	226,404
Work in progress	265,773	287,840	237,643	263,352
	<u>552,725</u>	<u>525,287</u>	<u>511,086</u>	<u>489,756</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

14 DEBTORS

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Due within one year:				
Trade debtors	1,729,680	2,227,295	1,616,295	2,174,508
Amounts owed by group undertakings	-	-	-	-
Amounts owed by associated undertakings	15,578	1,087	15,578	1,087
Other debtors	21,019	23,773	21,019	21,032
Prepayments and accrued income	49,413	40,676	41,078	39,761
	<u>1,815,690</u>	<u>2,292,831</u>	<u>1,693,970</u>	<u>2,236,388</u>

15 CREDITORS FALLING DUE WITHIN ONE YEAR

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Payments received on account	403,570	494,408	297,610	350,520
Trade creditors	1,165,923	996,453	1,030,644	899,555
Amounts owed to group undertakings	-	-	81,786	59,080
Amounts owed to associated undertakings	3,262	391,876	3,262	391,876
Corporation tax	266,939	161,365	248,609	150,859
Other creditors	114,239	160,441	107,168	159,687
Other tax and social security	95,736	185,754	127,988	195,715
Accruals and deferred income	478,447	393,543	461,365	391,006
	<u>2,528,116</u>	<u>2,783,840</u>	<u>2,358,432</u>	<u>2,598,298</u>

16 SHARE CAPITAL

	2006 £	2005 £
Authorised:		
50,000 Ordinary 'A' of £1 each	50,000	50,000
50,000 Ordinary 'B' of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
50,000 Ordinary 'A' of £1 each	50,000	50,000
50,000 Ordinary 'B' of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS For the year ended 29 April 2006

17 PROVISIONS FOR LIABILITIES AND CHARGES

No provision for liabilities and charges have been provided for on the grounds that the amounts are immaterial.

18 STATEMENT OF MOVEMENT ON RESERVES

Group

	Profit and loss account £
As at 1 May 2005	1,296,701
Profit for the financial year	892,402
Dividends	(350,000)
Foreign currency translation differences	69,012
As at 29 April 2006	<u>1,908,115</u>

Company

	Profit and loss account £
As at 1 May 2005	894,373
Profit for the year	703,144
Dividends	(350,000)
As at 29 April 2006	<u>1,247,517</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2006 £	2005 £
Profit for the financial year	892,402	505,815
Dividends	(350,000)	(400,000)
	<u>542,402</u>	<u>105,815</u>
Other recognised gains and losses	69,012	29,525
Net addition to shareholders' funds	<u>611,414</u>	<u>135,340</u>
Opening shareholders' funds	1,396,701	1,261,361
Closing shareholders' funds	<u>2,008,115</u>	<u>1,396,701</u>

Company

	2006 £	2005 £
Profit for the financial year	703,144	450,227
Dividends	(350,000)	(400,000)
Net addition to shareholders' funds	<u>353,144</u>	<u>50,227</u>
Opening shareholders' funds	994,373	944,146
Closing shareholders' funds	<u>1,347,517</u>	<u>994,373</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

20 CASH FLOWS

a.	Reconciliation of operating profit to net cash inflow from operating activities	2006 £	2005 £
	Operating profit	1,242,105	725,414
	Depreciation of tangible assets	270,589	211,731
	Amortisation of intangible assets	1,002	50,988
	(Profit) on disposal of fixed assets	(29,543)	(18,802)
	(Increase) in stocks	(27,438)	(40,692)
	Decrease in debtors	477,141	111,451
	(Decrease) in creditors within one year	(361,298)	(670,663)
	Net effect of foreign exchange differences	69,012	29,525
	Net cash inflow from operating activities	<u>1,641,570</u>	<u>398,592</u>

b.	Analysis of net debt	1 May 2005 £	Cash flow £	29 April 2006 £
	Net cash:			
	Cash at bank and in hand	<u>744,992</u>	<u>687,990</u>	<u>1,432,982</u>
		<u>744,992</u>	<u>687,990</u>	<u>1,432,982</u>

c.	Reconciliation of net cash flow to movement in net debt	2006 £	2005 £
	Increase/(decrease) in cash in the year	<u>687,990</u>	<u>(646,462)</u>
	Movement in net funds in the year	<u>687,990</u>	<u>(646,462)</u>
	Opening net funds	<u>744,992</u>	<u>1,391,454</u>
	Closing net debt	<u>1,432,982</u>	<u>744,992</u>

21 CAPITAL COMMITMENTS

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Capital expenditure contracted for but not provided in the financial statements	<u>31,990</u>	<u>53,545</u>	<u>31,990</u>	<u>53,545</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 April 2006

22 COMMITMENTS UNDER OPERATING LEASES

At 29 April 2006 the group had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Plant and machinery:		
Expiring in the first year	-	-
Expiring in the second to fifth year	7,812	7,812
	<u>7,812</u>	<u>7,812</u>

23 PENSION COMMITMENTS

Two defined contribution group personal pension schemes are operated on behalf of employees of the company. The assets are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the fund and amounted to £49,412 (2005: £46,817). There were outstanding contributions at the year end amounting to £9,880 (2005: £9,352).

24 RELATED PARTY TRANSACTIONS

Group

The company's shareholders are Portman International Securities Limited and MS International Plc which each own 50% of the ordinary share capital of the company.

The following transactions took place during the year between the group and companies in which these shareholders had material interests:

Portman International Securities Limited

Sales - £4,736 (2005: £5,391)

Purchase of goods and services - £569,066 (2005: £419,066)

Portman Products Limited

Consortium tax relief - £59,073 (2005: £82,187)

MS International Plc

Sales - £182,554 (2005: £27,687)

Purchases of goods and services £791,568 (2005: £783,053)

The following balances relating to the above transactions are included in the consolidated balance sheet at 29 April 2006:

Amounts due from associated undertakings £15,578 (2005: £1,087)

Amounts owed to associated undertakings £3,262 (2005: £391,876)