

GLOBAL MSI Plc

REPORTS AND FINANCIAL STATEMENTS

For the year ended 30 April 2005

Company Registration Number: 2849288



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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 30 April 2005.

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.

REVIEW OF THE BUSINESS

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.

There remains a determined commitment to develop and expand the business, both in terms of the product and the customers we serve.

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 £505,815

The directors have paid an ordinary interim dividend amounting to £400,000 (2004: £250,000) and they do not recommend payment of a final dividend.

DIRECTORS

The following directors have held office since 2 May 2004:

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

GLOBAL MSI Plc

DIRECTORS REPORT (CONTINUED)

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:

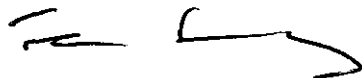
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 41 days (2004: 63 days) purchases.

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



Secretary

Date: 26.10.2005

GLOBAL MSI Plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 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 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 United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the group is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 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 of the state of the company and group's affairs as at 30 April 2005 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

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

Date: 28/10/05

GLOBAL MSI Plc

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 30 April 2005

	<i>Notes</i>	2005 £	2004 £
TURNOVER	1	12,092,654	12,185,730
Cost of sales		<u>9,195,004</u>	<u>9,370,203</u>
Gross profit		2,897,650	2,815,527
Other operating expenses (net)	2	<u>2,172,236</u>	<u>2,211,706</u>
OPERATING PROFIT		725,414	603,821
Interest receivable and similar income	3	<u>13,762</u>	<u>20,122</u>
		739,176	623,943
Interest payable	4	<u>419</u>	<u>300</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	738,757	623,643
Taxation	7	<u>232,942</u>	<u>197,190</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		505,815	426,453
Dividends	9	<u>400,000</u>	<u>250,000</u>
RETAINED PROFIT FOR THE YEAR	18	<u>105,815</u>	<u>176,453</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 30 April 2005

	2005 £	2004 £
Profit for the financial year	505,815	426,453
Currency translation differences on foreign currency net investments	<u>29,525</u>	<u>(39,259)</u>
Total gains and losses recognised since last financial statements	<u>535,340</u>	<u>387,194</u>

GLOBAL MSI Plc

CONSOLIDATED AND COMPANY BALANCE SHEET

At 30 April 2005

	Notes	2005 Group £	2004 Group £	2005 Company £	2004 Company £
FIXED ASSETS					
Intangible fixed assets	10	1,002	51,990	-	50,992
Tangible fixed assets	11	616,429	388,472	553,512	361,953
Investments	12	-	-	31,726	31,726
		<u>617,431</u>	<u>440,462</u>	<u>585,238</u>	<u>444,671</u>
CURRENT ASSETS					
Stocks	13	525,287	484,595	489,756	463,008
Debtors	14	2,292,831	2,404,282	2,236,388	2,380,781
Cash at bank and in hand		<u>744,992</u>	<u>1,391,454</u>	<u>281,289</u>	<u>1,056,937</u>
		3,563,110	4,280,331	3,007,433	3,900,726
CREDITORS					
Amounts falling due within one year	15	<u>(2,783,840)</u>	<u>(3,459,432)</u>	<u>(2,598,298)</u>	<u>(3,401,251)</u>
NET CURRENT ASSETS		<u>779,270</u>	<u>820,899</u>	<u>409,135</u>	<u>499,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,396,701</u>	<u>1,261,361</u>	<u>994,373</u>	<u>944,146</u>
CAPITAL AND RESERVES					
Called up share capital	16	100,000	100,000	100,000	100,000
Profit and loss account	18	<u>1,296,701</u>	<u>1,161,361</u>	<u>894,373</u>	<u>844,146</u>
EQUITY SHAREHOLDERS' FUNDS					
	19	<u>1,396,701</u>	<u>1,261,361</u>	<u>994,373</u>	<u>944,146</u>

Approved by the board on 26.10.2005

Director

M. O'Connor

Director



GLOBAL MSI Plc

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2005

	<i>Notes</i>	2005 £	2004 £
Net cash inflow from operating activities	20	398,592	1,395,061
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		13,762	20,122
Interest paid		(419)	(300)
Net cash inflow from returns on investment and servicing of finance		13,343	19,822
TAXATION		(237,871)	(95,057)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(439,328)	(234,163)
Receipts from sales of tangible fixed assets		18,802	11,695
Net cash outflow from capital expenditure		(420,526)	(222,468)
EQUITY DIVIDENDS PAID		(400,000)	(250,000)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(646,462)	847,358

GLOBAL MSI Plc

ACCOUNTING POLICIES

For the year ended 30 April 2005

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 30 April 2005 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 30 April 2005

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 company 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 30 April 2005

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)

	2005 £	2004 £
Administrative expenses	1,555,560	1,613,980
Distribution costs	629,919	558,317
(Profit)/loss on foreign exchange transactions	(13,243)	39,409
	<u>2,172,236</u>	<u>2,211,706</u>

3 INTEREST RECEIVED

	2005 £	2004 £
Bank interest	<u>13,762</u>	<u>20,122</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
On bank loans and overdrafts	<u>419</u>	<u>300</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2005 £	2004 £
Amortisation of intangible assets	50,988	76,478
Depreciation of tangible assets:		
Charge for the year:		
Owned assets	211,371	153,033
Profit on disposals	(18,802)	(6,650)
Operating lease rentals:		
Plant and machinery	23,440	25,165
(Profit)/loss on foreign exchange transactions	(13,243)	39,409
Auditors' remuneration (company £13,400; 2004: £13,318)	13,400	13,318
Non-audit services	<u>3,625</u>	<u>650</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

6 EMPLOYEES

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

	2005 No	2004 No
Production	68	61
Technical	34	30
Distribution and selling	3	3
Administration	5	6
	<u>110</u>	<u>100</u>

Staff costs for the above persons:

	2005 £	2004 £
Wages and salaries	2,934,365	2,795,601
Social security costs	299,459	262,512
Other pension costs	46,817	42,330
	<u>3,280,641</u>	<u>3,100,443</u>

DIRECTORS' REMUNERATION

	2005 £	2004 £
In respect of the directors:		
Emoluments for qualifying services	354,988	301,482
Company pension contributions to the group personal schemes	14,630	13,055
	<u>369,618</u>	<u>314,537</u>

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

	2005 £	2004 £
Emoluments for qualifying services	144,870	119,920
Company pension contributions to group personal schemes	<u>3,793</u>	<u>3,693</u>

There were 2 directors (2004: 2) in the company's group personal pension scheme during the year. 1 director (2004: 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 30 April 2005

7 TAXATION

	2005 £	2004 £
UK corporation tax	159,951	137,554
Adjustment for prior years	2,570	-
Foreign corporation tax	70,421	59,636
	<u>232,942</u>	<u>197,190</u>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	<u>738,757</u>	<u>623,643</u>
Profit on ordinary activities before taxation multiplied by the following rate of UK corporation tax of 30% (2004: 30%)	<u>221,627</u>	<u>187,093</u>
Effects of:		
Non deductible expenses	13,587	34,788
Depreciation in excess of capital allowances	(3,375)	5,134
Other tax adjustments	1,103	(29,825)
	<u>11,315</u>	<u>10,097</u>
Current tax charge	<u>232,942</u>	<u>197,190</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 £450,227 (2004: profit £320,961).

9 DIVIDENDS

	2005 £	2004 £
Ordinary:		
Interim paid – £4.00 (2004: £2.50)	<u>400,000</u>	<u>250,000</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2005

10 INTANGIBLE FIXED ASSETS

Group

	Other intangible assets £	Goodwill £	Total £
Cost:			
At 1 May 2004 and 30 April 2005	10,000	373,411	383,411
Amortisation:			
At 1 May 2004	8,666	322,755	331,421
Charge for year	1,334	49,654	50,988
At 30 April 2005	10,000	372,409	382,409
Net book value:			
At 30 April 2005	-	1,002	1,002
At 1 May 2004	1,334	50,656	51,990

Company

	Other intangible assets £	Goodwill £	Total £
Cost:			
At 1 May 2004 and 30 April 2005	10,000	372,411	382,411
Amortisation:			
At 1 May 2004	8,666	322,753	331,419
Charge for year	1,334	49,658	50,992
At 30 April 2005	10,000	372,411	382,411
Net book value:			
At 30 April 2005	-	-	-
At 1 May 2004	1,334	49,658	50,992

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

11 TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £	Assets in the course of construction £	Plant and machinery £	Motor vehicles £	Total £
Cost:					
At 1 May 2004	108,800	-	874,992	416,911	1,400,703
Additions	-	24,513	266,044	148,771	439,328
Disposals	-	-	(169,117)	(58,308)	(227,425)
At 30 April 2005	108,800	24,513	971,919	507,374	1,621,606
Depreciation:					
At 1 May 2005	108,799	-	686,535	216,897	1,012,231
Charge for year	-	-	97,000	114,371	211,371
Disposals	-	-	(169,117)	(58,308)	(227,425)
At 30 April 2005	108,799	-	614,418	272,960	996,177
Net book value:					
At 30 April 2005	1	24,513	357,501	234,414	616,429
At 1 May 2004	1	-	188,457	200,014	388,472

Company

	Leasehold improvements £	Assets in the course of construction £	Plant and machinery £	Motor vehicles £	Total £
Cost:					
At 1 May 2004	108,800	-	830,298	378,809	1,317,907
Additions	-	24,513	234,185	119,551	378,249
Disposals	-	-	(155,396)	(58,308)	(213,704)
At 30 April 2005	108,800	24,513	909,087	440,052	1,482,452
Depreciation:					
At 1 May 2005	108,799	-	648,119	199,037	955,955
Charge for year	-	-	86,961	99,728	186,689
Disposals	-	-	(155,396)	(58,308)	(213,704)
At 30 April 2005	108,799	-	579,684	240,457	928,940
Net book value:					
At 30 April 2005	1	24,513	329,403	199,595	553,512
At 1 May 2004	1	-	182,180	179,772	361,953

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

12 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
Cost:	
At 1 May 2004	31,726
Disposals	-
At 30 April 2005	<u>31,726</u>
At 1 May 2004	<u>31,726</u>

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
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 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Raw materials and consumables	237,447	263,140	226,404	252,638
Work in progress	287,840	221,455	263,352	210,370
	<u>525,287</u>	<u>484,595</u>	<u>489,756</u>	<u>463,008</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

14 DEBTORS

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Due within one year:				
Trade debtors	2,227,295	2,332,722	2,174,508	2,278,362
Amounts owed by group undertakings	-	-	-	34,862
Amounts owed by associated undertakings	1,087	4,366	1,087	4,366
Other debtors	23,773	24,375	21,032	21,848
Prepayments and accrued income	40,676	42,819	39,761	41,343
	<u>2,292,831</u>	<u>2,404,282</u>	<u>2,236,388</u>	<u>2,380,781</u>

15 CREDITORS FALLING DUE WITHIN ONE YEAR

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Payments received on account	494,408	766,483	350,520	737,013
Trade creditors	996,453	1,403,888	899,555	1,333,353
Amounts owed to group undertakings	-	-	59,080	98,641
Amounts owed to associated undertakings	391,876	417,985	391,876	417,985
Corporation tax	161,365	166,294	150,859	159,139
Other creditors	160,441	191,493	159,687	188,265
Other tax and social security	185,754	130,728	195,715	92,255
Accruals and deferred income	393,543	382,561	391,006	374,600
	<u>2,783,840</u>	<u>3,459,432</u>	<u>2,598,298</u>	<u>3,401,251</u>

16 SHARE CAPITAL

	2005 £	2004 £
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 30 April 2005

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 2004	1,161,361
Retained profit for the year	105,815
Foreign currency translation differences	29,525
As at 30 April 2005	<u>1,296,701</u>

Company

	Profit and loss account £
As at 1 May 2004	844,146
Retained profit for the year	50,227
As at 30 April 2005	<u>894,373</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2005 £	2004 £
Profit for the financial period	505,815	426,453
Dividends	(400,000)	(250,000)
	<u>105,815</u>	<u>176,453</u>
Other recognised gains and losses	29,525	(39,259)
Net addition to shareholders' funds	<u>135,340</u>	<u>137,194</u>
Opening shareholders' funds	1,261,361	1,124,167
Closing shareholders' funds	<u>1,396,701</u>	<u>1,261,361</u>

Company

	2005 £	2004 £
Profit for the financial period	450,227	320,961
Dividends	(400,000)	(250,000)
Net addition to shareholders' funds	<u>50,227</u>	<u>70,961</u>
Opening shareholders' funds	944,146	873,185
Closing shareholders' funds	<u>994,373</u>	<u>944,146</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

20 CASH FLOWS

a.	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2005 £	2004 £
	Operating profit	725,414	603,821
	Depreciation of tangible assets	211,731	153,033
	Amortisation of intangible assets	50,988	76,478
	Profit on disposal of fixed assets	(18,802)	(6,650)
	(Increase) in stocks	(40,692)	(192,949)
	Decrease/(increase) in debtors	111,451	(768,837)
	(Decrease)/increase in creditors within one year	(670,663)	1,569,424
	Net effect of foreign exchange differences	29,525	(39,259)
	Net cash inflow from operating activities	<u>398,592</u>	<u>1,395,061</u>

b.	Analysis of net debt	1 May 2004 £	Cash flow £	30 April 2005 £
	Net cash:			
	Cash at bank and in hand	<u>1,391,454</u>	<u>(646,462)</u>	<u>744,992</u>
		<u>1,391,454</u>	<u>(646,462)</u>	<u>744,992</u>

c.	Reconciliation of net cash flow to movement in net debt	2005 £	2004 £
	Increase/(decrease) in cash in the year	<u>(646,462)</u>	<u>847,358</u>
	Movement in net funds in the year	<u>(646,462)</u>	<u>847,358</u>
	Opening net funds	<u>1,391,454</u>	<u>544,096</u>
	Closing net debt	<u>744,992</u>	<u>1,391,454</u>

21 CAPITAL COMMITMENTS

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Capital expenditure contracted for but not provided in the financial statements	<u>53,545</u>	<u>-</u>	<u>53,545</u>	<u>-</u>

GLOBAL MSI Plc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2005

22 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2005 the group had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Plant and machinery:		
Expiring in the first year	-	9,237
Expiring in the second to fifth year	7,812	7,812
	<u>7,812</u>	<u>17,049</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 £46,817 (2004: £42,330). There were outstanding contributions at the year end amounting to £9,352 (2004: £8,682).

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 - £5,391 (2004: £5,815)

Purchase of goods and services - £419,066 (2004: £419,066)

Portman Products Limited

Consortium tax relief - £82,187 (2004: £52,897)

MS International Plc

Sales - £27,687 (2004: £36,477)

Purchases of goods and services £783,053 (2004: £725,185)

The following balances relating to the above transactions are included in the consolidated balance sheet at 30 April 2005:

Amounts due from associated undertakings £1,087 (2004: £4,366)

Amounts owed to associated undertakings £391,876 (2004: £417,985)