

**GLOBAL MSI plc**  
**REPORT AND ACCOUNTS**  
**2 MAY 1998**

**CHANTREY VELLACOTT**  
Chartered Accountants  
Derngate Mews  
Derngate  
Northampton NN1 1UE



## GLOBAL MSI plc

Directors:	I L Donald M J Bell T Fernley M G Froud A C G Galanis M P A O'Connell T L Donald D Pyle
Secretary:	T Fernley
Company Number:	2849288
Registered Office:	Carr Hill Balby Doncaster DN4 8DH
Auditors:	Chantrey Vellacott Chartered Accountants Derngate Mews Derngate Northampton NN1 1UE

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**GLOBAL MSI plc**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 2 MAY 1998**

The directors present their report, together with the audited accounts of the company, for the year ended 2 May 1998.

**DIRECTORS' RESPONSIBILITIES**

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the business is a going concern.

**RESULTS AND DIVIDENDS**

The results for the year are shown in the profit and loss account on page 4.

Interim dividends totalling £400,000 were paid during the year. The directors do not recommend the payment of a final dividend.

**REVIEW OF BUSINESS**

The principal activity of the company is the design, fabrication and erection of petrol station canopies and infrastructure products.

The company 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.

**FUTURE DEVELOPMENTS AND EVENTS SINCE THE YEAR END**

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

**TANGIBLE FIXED ASSETS**

Movements in tangible fixed assets during the year are shown in note 10 to the accounts.

**DIRECTORS AND THEIR INTERESTS**

The directors in office during the year are set out below:

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

No director had, at any time during the year, any beneficial interest in the issued share capital of the company.

**PARENT UNDERTAKINGS**

The company's shareholders are Portman International Securities Limited and M S International plc which each own 50% of the ordinary share capital of the company. Each of the shareholders is entitled to appoint half of the board. Certain of the directors of the company have interests in the shares of the respective joint parent undertakings.

**GLOBAL MSI plc**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 2 MAY 1998**  
**(Continued)**

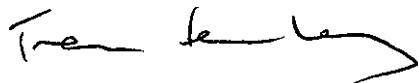
**CREDITORS PAYMENT POLICY**

It is the company's policy to agree terms of payment with its suppliers at the outset of any transaction. Payment is then made in accordance with these terms provided that the supplier performs its obligations. The number of days' purchases outstanding at 2 May 1998 was 33 days.

**AUDITORS**

A resolution to reappoint Chantrey Vellacott as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 29 JUNE 1998  
and signed on their behalf by:



T FERNLEY

Secretary

## REPORT OF THE AUDITORS TO THE MEMBERS OF

### GLOBAL MSI plc

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

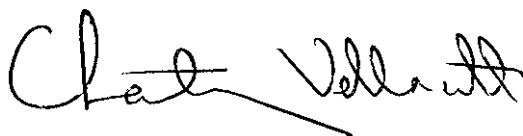
#### BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company'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 accounts 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 accounts.

#### OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 2 May 1998 and of the results of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT

Chartered Accountants  
Registered Auditors  
Derngate Mews  
Derngate  
Northampton NN1 1UE

29 June 1998

**GLOBAL MSI plc**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 2 MAY 1998**

	Notes	1998 Group	1997 Company (note 1(b))
TURNOVER	2	11,015,109	9,913,588
Cost of sales		8,197,799	8,032,455
GROSS PROFIT		2,817,310	1,881,133
Distribution costs	855,482		728,756
Administrative expenses	890,418		1,027,494
		1,745,900	1,756,250
OPERATING PROFIT	3	1,071,410	124,883
Interest receivable	6	34,338	16,145
		1,105,748	141,028
Interest payable	7	269	100,149
PROFIT on ordinary activities before taxation		1,105,479	40,879
Taxation	8	370,606	13,625
PROFIT on ordinary activities after taxation		734,873	27,254
Dividends	9	400,000	-
		334,873	27,254
Accumulated profits brought forward		80,493	53,239
Accumulated profits carried forward		£ 415,366	£ 80,493

All recognised gains and losses are included in the above profit and loss account.

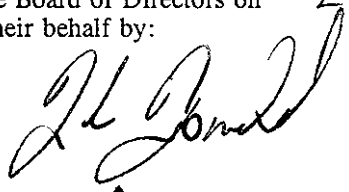
All the above amounts relate to continuing activities.

**GLOBAL MSI plc**  
**BALANCE SHEETS**  
**AS AT 2 MAY 1998**

	Notes	1998 Group	1998 Company	1997 Company (note 1(b))
<b>FIXED ASSETS</b>				
Tangible assets	10b	554,021	542,379	454,019
Investments	11	-	31,421	-
		<hr/>	<hr/>	<hr/>
		554,021	573,800	454,019
<b>CURRENT ASSETS</b>				
Stock	12	509,487	509,487	484,834
Debtors	13	1,310,591	1,357,406	1,532,178
Cash at bank and in hand		609,072	569,259	504,651
		<hr/>	<hr/>	<hr/>
		2,429,150	2,436,152	2,521,663
<b>CREDITORS: amounts falling due within one year</b>	14	2,461,510	2,452,619	1,726,267
		<hr/>	<hr/>	<hr/>
<b>NET CURRENT (LIABILITIES)ASSETS</b>		(32,360)	(16,467)	795,396
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/>	<hr/>	<hr/>
		521,661	557,333	1,249,415
<b>CREDITORS: amounts falling due after more than one year</b>	15	-	-	1,068,922
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<hr/>	<hr/>	<hr/>
Deferred taxation	16	6,295	6,295	-
		<hr/>	<hr/>	<hr/>
		6,295	6,295	1,068,922
		<hr/>	<hr/>	<hr/>
		£ 515,366	£ 551,038	£ 180,493
<b>CAPITAL AND RESERVES</b>				
Called up share capital	17	100,000	100,000	100,000
Profit and loss account		415,366	451,038	80,493
		<hr/>	<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	21	£ 515,366	£ 551,038	£ 180,493
		<hr/>	<hr/>	<hr/>

Approved by the Board of Directors on 29 JUNE 1998  
and signed on their behalf by:

I L DONALD



M J BELL



**GLOBAL MSI plc**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 2 MAY 1998**

	Notes	1998 Group	1997 Company (note 1(b))
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	1,470,671	554,184
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	34,338	16,145	
Interest paid	(269)	(100,149)	
Net cash inflow(outflow) for returns on investments and servicing of finance		34,069	(84,004)
TAXATION PAID		(65,720)	-
CAPITAL EXPENDITURE			
Payments to acquire tangible assets	(312,780)	(63,215)	
Receipts from sales of tangible assets	28,181	51,497	
Net cash outflow for capital expenditure		(284,599)	(11,718)
EQUITY DIVIDENDS PAID		(400,000)	-
Net cash inflow before management of liquid resources and financing		754,421	458,462
FINANCING			
Repayment of loan capital		(650,000)	(190,000)
Increase in cash in the year	19	£ 104,421	£ 268,462



GLOBAL MSI plc

NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared on the historical cost basis and in accordance with applicable Accounting Standards.

(b) Basis of consolidation

The consolidated accounts include the results of the parent company and both its subsidiaries for the year ended 2 May 1998. Intra group turnover and results are eliminated on consolidation, and all turnover and results relate to external transactions only.

Consolidated accounts were not produced for 1997 as all the transactions of Global-MSI Espana sa were reflected in the accounts of the company. Global Espana ceased trading during the year and Global-MSI Sp.z o.o. was formed during the year.

(c) Depreciation

Depreciation is provided on all tangible assets to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. The estimated useful lives are as follows:

Leasehold improvements	: 5 years
Plant and machinery	: 8 years
Motor vehicles - vans	: 3 years
- cars	: 3 years
Fixtures, fittings and equipment	: 5 years
Computer equipment	: 3 years

(d) Stock and work in progress

Stock and work in progress is 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 sale.

(e) Deferred taxation

Provision is made for deferred taxation on all timing differences using the liability method except where, in the directors' opinion, such provision will not reverse in the foreseeable future.

(f) Research and development expenditure

Research and development expenditure is written off in the period it is incurred.

(g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

Turnover represents sales to outside customers at invoiced amounts less value added tax, and is derived entirely from the company's principal activity.

No geographical analysis of turnover has been provided because in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the company.

GLOBAL MSI plc  
NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998  
(Continued)

3. OPERATING PROFIT

	1998 £	1997 £
This is stated after charging(crediting):		
Directors' remuneration (including estimated benefits and pension contributions) (Note 4)	230,001	245,363
Auditors' remuneration		
Audit fee	10,000	12,330
Fees for non-audit services	5,277	5,398
Plant hire	161,354	241,813
Other operating leases	4,059	11,608
Research and development expenditure	10,527	8,777
Depreciation charge	209,364	192,430
Profit on sale of tangible assets	(24,767)	(9,396)
Foreign exchange losses	32,500	182,082
	<u>230,001</u>	<u>245,363</u>

4. DIRECTORS' REMUNERATION

	1998	1997
(a) Management remuneration	206,332	223,957
Benefits in kind	15,580	16,655
Pension contributions	8,089	4,751
	<u>230,001</u>	<u>245,363</u>

(b) HIGHEST PAID DIRECTOR

	1998	1997
Remuneration	79,189	81,200
Benefits in kind	4,701	4,186
Pension contributions	2,800	2,800
	<u>86,690</u>	<u>88,186</u>

5. STAFF COSTS

	1998	1997
Staff costs during the year amounted to:		
Wages and salaries	2,517,934	2,281,135
Social security costs	235,935	219,306
Pension costs (Note 22)	37,636	28,396
	<u>2,791,505</u>	<u>2,528,837</u>

**GLOBAL MSI plc**  
**NOTES TO THE GROUP ACCOUNTS**  
**FOR THE YEAR ENDED 2 MAY 1998**

(Continued)

5. STAFF COSTS (continued)

The average weekly number of employees during the year was made up as follows:

	1998	1997
Production	80	74
Technical	32	31
Distribution and selling	2	3
Administration	11	10
	<u>125</u>	<u>118</u>

6. INTEREST RECEIVABLE

Bank interest

	1998	1997
Bank interest	£ 34,338	£ 16,145
	<u>£ 34,338</u>	<u>£ 16,145</u>

7. INTEREST PAYABLE

Bank interest  
Interest on unsecured convertible loan stock

	1998	1997
Bank interest	269	149
Interest on unsecured convertible loan stock	-	100,000
	<u>£ 269</u>	<u>£ 100,149</u>

8. TAXATION

Based on the profit for the year:

UK Corporation tax at 21% to 33.5% (1997 : 24% and 25%)	358,725	34,375
Overseas taxation	1,115	-
Double tax relief	(1,115)	-
Deferred taxation	6,295	(14,000)
Underprovision in prior year	5,586	(6,750)
	<u>£ 370,606</u>	<u>£ 13,625</u>

9. DIVIDENDS

On equity shares:

Paid interim of £4 per ordinary share (1997: £Nil)

	1998	1997
Paid interim of £4 per ordinary share (1997: £Nil)	£ 400,000	£ -
	<u>£ 400,000</u>	<u>£ -</u>

GLOBAL MSI plc  
NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998

(Continued)

10(a). TANGIBLE FIXED ASSETS - GROUP

	Leasehold improvements	Plant and machinery	Motor vehicles	Fixtures, fittings and equipment	Computer equipment	Total
Cost:						
4 May 1997	108,800	460,901	274,848	38,095	153,566	1,036,210
Additions	-	22,280	259,468	15,577	15,455	312,780
Disposals	-	(4,000)	(86,615)	(3,592)	(4,840)	(99,047)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 May 1998	108,800	479,181	447,701	50,080	164,181	1,249,943
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
4 May 1997	21,760	192,203	209,772	23,984	134,472	582,191
Charge for the year	21,760	72,319	89,873	10,496	14,916	209,364
Disposals	-	(2,000)	(85,653)	(3,169)	(4,811)	(95,633)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 May 1998	43,520	262,522	213,992	31,311	144,577	695,922
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
2 May 1998	£ 65,280	£ 216,659	£ 233,709	£ 18,769	£ 19,604	£ 554,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
3 May 1997	£ 87,040	£ 268,698	£ 65,076	£ 14,111	£ 19,094	£ 454,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**GLOBAL MSI plc**  
**NOTES TO THE GROUP ACCOUNTS**  
**FOR THE YEAR ENDED 2 MAY 1998**

(Continued)

10(b). TANGIBLE FIXED ASSETS - COMPANY

	Leasehold improvements	Plant and machinery	Motor vehicles	Fixtures, fittings and equipment	Computer equipment	Total
Cost:						
4 May 1997	108,800	460,901	274,848	38,095	153,566	1,036,210
Additions	-	22,280	250,739	12,068	12,762	297,849
Disposals	-	(4,000)	(86,615)	(3,592)	(4,840)	(99,047)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 May 1998	108,800	479,181	438,972	46,571	161,488	1,235,012
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
4 May 1997	21,760	192,203	209,772	23,984	134,472	582,191
Charge for the year	21,760	72,319	87,952	9,415	14,629	206,075
Disposals	-	(2,000)	(85,653)	(3,169)	(4,811)	(95,633)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 May 1998	43,520	262,522	212,071	30,230	144,290	692,633
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
2 May 1998	£ 65,280	£ 216,659	£ 226,901	£ 16,341	£ 17,198	£ 542,379
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
3 May 1997	£ 87,040	£ 268,698	£ 65,076	£ 14,111	£ 19,094	£ 454,019
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11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The company owns the whole of the issued share capital of the following subsidiary companies:

	Activity	Country of registration
Global-MSI Sp.z o.o.	Installation of canopies	Poland
Global-MSI Espana sa	Dormant	Spain

12. STOCKS

	1998 Group	1998 Company	1997 Company
Raw materials	180,937	180,937	154,577
Work in progress	328,550	328,550	330,257
	<hr/>	<hr/>	<hr/>
	£ 509,487	£ 509,487	£ 484,834
	<hr/>	<hr/>	<hr/>

There is no material difference between current replacement cost and the balance sheet value of stocks.

GLOBAL MSI plc  
NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998

(Continued)

13.	DEBTORS	1998 Group	1998 Company	1997 Company
	Trade debtors	1,180,681	1,150,473	1,330,921
	Amounts owed by subsidiary undertakings	-	79,516	-
	Amounts owed by associated undertakings	31,573	31,573	106,955
	Other debtors	65,653	65,653	56,042
	Prepayments and accrued income	32,684	30,191	38,260
		<u>£ 1,310,591</u>	<u>£ 1,357,406</u>	<u>£ 1,532,178</u>
14.	CREDITORS: amounts falling due within one year	1998 Group	1998 Company	1997 Company
	Unsecured convertible loan stock (note 15)	418,922	418,922	-
	Customer deposits	193,005	193,005	281,047
	Trade creditors	1,063,555	1,061,621	1,045,217
	Amount owed to associated undertakings	13,219	13,219	12,409
	Corporation tax	351,216	351,216	52,625
	Taxation and social security	137,556	132,164	67,843
	Other creditors and accruals	284,037	282,472	267,126
		<u>£ 2,461,510</u>	<u>£ 2,452,619</u>	<u>£ 1,726,267</u>
15.	CREDITORS: amounts falling due after more than one year	1998 Group	1998 Company	1997 Company
	Unsecured convertible loan stock	<u>£ -</u>	<u>£ -</u>	<u>£ 1,068,922</u>

The stock is held by the company's shareholders, Portman International Securities Limited and MS International plc. No interest had been paid on the stock until 1996/97 when, by agreement, £100,000 was paid. The stock is repayable from 17 September 1998 at par and bears a 2% coupon rate. By agreement £650,000 was repaid during the year. Conversion of the stock to £1 ordinary shares is automatic in the event of insolvency of the company or on the appointment of a receiver. The stock is convertible in such instances at par into ordinary shares.

16.	DEFERRED TAXATION: Group and Company	1998 Amount provided	1998 Potential liability	1997 Amount provided	1997 Potential liability
	Excess of capital allowances over depreciation	<u>£ 6,295</u>	<u>£ 6,295</u>	<u>£ -</u>	<u>£ -</u>

GLOBAL MSI plc  
NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998

(Continued)

17.	CALLED UP SHARE CAPITAL	Authorised, allotted, and fully paid			
		1998	1997		
	'A' Ordinary shares of £1 each	50,000	50,000		
	'B' Ordinary shares of £1 each	50,000	50,000		
		<hr/>	<hr/>		
		£ 100,000	£ 100,000		
		<hr/>	<hr/>		
Each class of share is entitled to elect half of the board of directors. In all other respects they rank pari passu.					
18.	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1998	1997		
	Operating profit	1,071,410	124,883		
	Depreciation of tangible assets	209,364	192,430		
	Profit on disposal of tangible assets	(24,767)	(9,396)		
	(Increase)decrease in stocks	(24,653)	101,626		
	Decrease in debtors	221,587	148,361		
	(Decrease)increase in creditors within one year	17,730	(3,720)		
		<hr/>	<hr/>		
	NET CASH INFLOW FROM OPERATING ACTIVITIES	£ 1,470,671	£ 554,184		
		<hr/>	<hr/>		
19.	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	1998	1997		
	Increase in cash in the year	104,421	268,462		
	Repayment of unsecured convertible loan stock	650,000	190,000		
		<hr/>	<hr/>		
	Movement in net funds(debt) in the year	754,421	458,462		
	Opening net debt	(564,271)	(1,022,733)		
		<hr/>	<hr/>		
	Closing net funds(debt)	£ 190,150	£ (564,271)		
		<hr/>	<hr/>		
20.	ANALYSIS OF NET FUNDS/DEBT	Unsecured convertible loan stock			
		Cash at bank and in hand	Repayable within one year	Repayable after one year	Total
	At 28 April 1996	236,189	-	(1,258,922)	(1,022,733)
	Cashflow	268,462	-	190,000	458,462
		<hr/>	<hr/>	<hr/>	<hr/>
	At 3 May 1997	504,651	-	(1,068,922)	(564,271)
	Cashflow	104,421	-	650,000	754,421
	Non cash movements	-	(418,922)	418,922	-
		<hr/>	<hr/>	<hr/>	<hr/>
	At 2 May 1998	£ 609,072	£ (418,922)	£ -	£ 190,150
		<hr/>	<hr/>	<hr/>	<hr/>

**GLOBAL MSI plc**  
**NOTES TO THE GROUP ACCOUNTS**  
**FOR THE YEAR ENDED 2 MAY 1998**

(Continued)

21. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	1998 Group	1998 Company	1997 Company
Profit after taxation for the year	734,873	770,545	27,254
Dividends paid to equity shareholders	400,000	400,000	-
	<hr/>	<hr/>	<hr/>
Net addition to shareholders' funds	334,873	370,545	27,254
Opening equity shareholders' funds	180,493	180,493	153,239
	<hr/>	<hr/>	<hr/>
Closing equity shareholders' funds	£ 515,366	£ 551,038	£ 180,493
	<hr/>	<hr/>	<hr/>

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account as shown in note 5 to the accounts.

23. CONTINGENT LIABILITIES

At 2 May 1998 there were contingent liabilities in respect of performance bonds and guarantees amounting to £22,732 (1997: £18,600).

There were no other contingent liabilities at 2 May 1998 (1997: nil).

24. LEASE COMMITMENTS

The group's commitments for rental payments under operating leases payable during the year to 2 May 1998 are as follows:

	Other operating leases £
Leases expiring:	
Within one year	5,770
Between two and five years	3,318
	<hr/>
	£ 9,088
	<hr/>

25. CAPITAL COMMITMENTS

	1998	1997
Contracted for, but not provided	£ 39,736	£ 85,538
	<hr/>	<hr/>
Approved by the directors, but not yet contracted for	£ 20,000	£ 40,736
	<hr/>	<hr/>



GLOBAL MSI plc  
NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 2 MAY 1998  
(Continued)

26. RELATED PARTY TRANSACTIONS

- (a) The company's shareholders are Portman International Securities Limited and M S International plc which each own 50% of the ordinary share capital of the company.
- (b) During the year sales amounting to £15,647 and purchases amounting to £565,817 were made with companies in which the shareholders had material interests.

	Sales	Purchases
Portman International Securities Limited	-	132,416
MS International plc	948	360,561
MSI-Quality Forgings Ltd	5,408	-
MSI-Materials Handling Ltd	7,873	20,836
MSI-Mechforge Ltd	1,418	52,004