

Global-MSI plc

Report and Financial Statements

28 April 2012



Directors

M J Bell
T Femley
M P A O'Connell
D Pyle
M Steggles

Secretary

T Femley

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Registered Office

Balby Carr Bank
Doncaster DN4 8DH

Registered No 2849288

Directors' report

The directors present their report and financial statements for the year ended 28 April 2012

Results and dividends

The trading profit of the company for the period after taxation was £nil (2011 – profit of £124,385) The directors have paid an ordinary interim dividend amounting to £nil (2011 – £1,000,000) and they do not recommend payment of a final dividend (2011 – £nil)

For 2012, profit before taxation of £nil (2011 – profit of £90,214) was achieved on sales of £nil (2011 – £7,388,324)

Principal activities and review of the business

On 28 April 2011 the company transferred its entire trade and assets at book value to MS International plc, the ultimate parent undertaking The company has not traded in the year and is not expected to trade going forward

Substantial shareholders

Certain directors of the company have interests in the shares of the parent undertaking These are disclosed in those companies' financial statements

On the 28th May 2010, MS International Plc acquired the 50% shareholding in Global-MSI plc not previously owned by MS International Plc, from Joint Venture partners Portman International Securities Limited, taking the MS International Plc shareholding to 100%

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Directors

The directors who served the company during the year were as follows

M J Bell
T Fernley
M P A O'Connell
D Pyle
M Steggles

Disclosure of information to the auditors

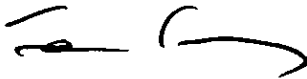
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Directors' report (continued)

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



T Fernley
Secretary

26th October 2012

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Global-MSI plc

We have audited the financial statements of Global-MSI plc for the year ended 28 April 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 April 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

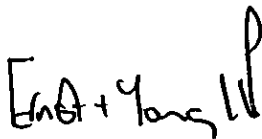
Independent auditors' report

to the members of Global-MSI plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Alistair Denton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

30 October 2012

Profit and loss account

For the year ended 28 April 2012

	Notes	2012 £	2011 £
Turnover	2	–	7,388,324
Cost of sales		–	(5,808,246)
Gross profit		–	1,580,078
Other operating income	3	–	(1,740,358)
Operating loss	4	–	(160,280)
Interest receivable and similar income	7	–	768
Income from subsidiary undertakings		–	250,000
		–	90,488
Interest payable and similar charges	8	–	(274)
Profit on ordinary activities before taxation		–	90,214
Tax	9	–	34,171
Profit for the financial year	15	–	124,385

All amounts relate to discontinued activities

Statement of total recognised gains and losses

for the year ended 28 April 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £nil in 2012 (2011 – £124,385).

Balance sheet

at 28 April 2012

	Notes	2012 £	2011 £
Current assets			
Debtors	12	1,033,765	1,033,765
Net assets		<u>1,033,765</u>	<u>1,033,765</u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Profit and loss account	14	933,765	933,765
Shareholders' funds	15	<u>1,033,765</u>	<u>1,033,765</u>

The financial statements were approved for issue by the board of directors on 26 October 2012 and signed on its behalf by



T Fernley

Director

Notes to the financial statements

at 28 April 2012

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

After making enquiries, the directors are satisfied that the company has adequate resources going forward and has therefore continued to prepare the financial statements on the going concern basis

Company financial statements

In accordance with the exemptions allowed by section 405 of the Companies Act 2006, the company has prepared financial statements on a stand alone basis. As disclosed in note 18, group financial statements have been prepared by MS International plc, the ultimate parent undertaking

Statement of cash flows

The company is a wholly owned subsidiary undertaking of MS International plc and has taken advantage of the exemptions permitted under FRS 1 (revised) 'Statement of cash flows' respectively not to prepare a statement of cash flows

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty

Long term contracts

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as a contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract. The amount by which turnover exceeds payments on account is classified as 'amounts recoverable on contracts' and included in debtors, to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks

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 have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Notes to the financial statements

at 28 April 2012

1. Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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.

Operating leases

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.

Pensions

A defined contribution pension scheme is available to all employees. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

2. Turnover

The company's turnover and profit before taxation were all derived from its principal activity. The majority of turnover arises in the UK.

3. Other operating expenses

	2012 £	2011 £
Administrative expenses	–	1,232,839
Distribution costs	–	485,163
Net loss on foreign exchange transactions	–	22,356
	–	<u>1,740,358</u>

4. Operating loss

This is stated after charging

	2012 £	2011 £
Auditors' remuneration	–	12,000
Depreciation of owned fixed assets	–	221,425
Loss on disposal of fixed assets	–	122
Redundancy and termination costs	–	162,986
Operating lease rentals - plant and machinery	–	<u>4,550</u>

Notes to the financial statements

at 28 April 2012

5. Directors' remuneration

	2012	2011
	£	£
Remuneration	–	172,472
Company contributions paid to defined contribution pension schemes	–	10,394
	<u>–</u>	<u>182,866</u>

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

	2012	2011
	£	£
Remuneration	–	90,211
Company pension contributions to company personal schemes	–	2,375
	<u>–</u>	<u>2,375</u>

6. Staff costs

	2012	2011
	£	£
Wages and salaries	–	1,957,315
Social security costs	–	190,818
Other pension costs	–	36,496
	<u>–</u>	<u>2,184,629</u>

The average monthly number of employees (including directors) during the year was made up as follows

	No	No
Production	–	36
Technical	1	16
Distribution and selling	–	1
Administration	1	3
	<u>2</u>	<u>56</u>

7. Interest receivable and similar income

	2012	2011
	£	£
Bank Interest	–	677
Other Interest	–	91
	<u>–</u>	<u>768</u>

Notes to the financial statements

at 28 April 2012

8. Interest payable and similar charges

	2012	2011
	£	£
On bank loans and overdrafts	–	274

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012	2011
	£	£
Current tax		
UK corporation tax on the profit for the year	–	(31,515)
Adjustment in respect of previous periods	–	175
Total current tax (note 9(b))	–	(31,340)
Deferred tax		
Deferred taxation in profit for the year	–	(4,891)
Adjustment in respect of previous periods	–	2,525
Effects of change in rate	–	(465)
Total deferred tax	–	(2,831)
Tax on profit on ordinary activities	–	(34,171)

(b) Factors affecting current tax charges for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25.8% (2011 – 28%). The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	–	90,214
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.8% (2011 – 28%)	–	25,260
Effects of		
Non deductible expenses	–	8,335
Capital allowances in advance of depreciation	–	16,204
Other short term timing differences	–	(11,314)
Adjustment for prior years	–	175
Non taxable investment income	–	(70,000)
Current tax for the year (note 9(a))	–	(31,340)

Notes to the financial statements

at 28 April 2012

9. Tax (continued)

(c) Factors which may affect future tax charges

On 23 March 2011 the UK government announced proposals to reduce the main rate of corporation tax from 28% to 23% over four years with effect from 1 April 2011. As of 31 December 2011, only the reduction to 25% has been substantively enacted.

Further, it was announced in the 2012 Budget that the main rate of corporation tax effective from 1 April 2012 will be 24%. It is also currently expected that further reductions of 1% per annum will result in a decrease in the main rate of corporation tax to 22% from 1 April 2014. None of these changes had been effected at the balance sheet date. This change had not been substantively enacted by the balance sheet date.

10. Dividends

	2012	2011
	£	£
Ordinary – interim paid £nil per share (2011 – £10.00)	–	1,000,000

11. Discontinued operations

On 30 April 2011 the company transferred its entire trade and assets at book value to MS International plc, the ultimate parent undertaking and controlling party. No profit or loss arose from the transfer.

12. Debtors

	2012	2011
	£	£
Amounts owed by parent undertakings due within one year	1,033,765	1,033,765
	<u>1,033,765</u>	<u>1,033,765</u>

13. Issued share capital

		2012		2011
	No	£	No	£
<i>Allotted, called up and fully paid</i>				
Ordinary 'A' shares of £1 each	50,000	50,000	50,000	50,000
Ordinary 'B' shares of £1 each	50,000	50,000	50,000	50,000
		<u>100,000</u>		<u>100,000</u>

Notes to the financial statements

at 28 April 2012

14. Movements on reserves

	<i>Profit and loss account</i> £
At 1 May 2011	933,765
Result for the year	–
At 28 April 2012	<u>933,765</u>

15. Reconciliation of shareholders' funds

	2012 £	2011 £
Profit for the financial year	–	124,385
Dividends (note 10)	–	(1,000,000)
Net reduction to shareholders' funds	–	(875,615)
Opening shareholders' funds	1,033,765	1,909,380
Closing shareholders' funds	<u>1,033,765</u>	<u>1,033,765</u>

16. Pensions

A defined contribution company personal pension scheme is 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 funds and amounted to £nil (2011 – £36,496). There were no outstanding contributions at the year end (2011 – £5,665).

17. Related party transactions

Advantage has been taken of FRS 8 not to disclose transactions with entities that are part of the MS International plc group. This is on the basis that 90% or more of the voting rights are controlled within the group and group financial statements which include these companies are available to the public.

18. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of MS International plc, the immediate and ultimate parent undertaking. Copies of its group financial statements are available from Balby Carr Bank, Doncaster DN4 8DH.