2849288

GLOBAL-MSI plc

Report and Financial Statements

1 May 2010

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

Secretary
T Fernley

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

Registered Office
Carr Hill
Balby
Doncaster DN4 8DH

Directors' report

The directors present their report and financial statements for the year ended 1 May 2010

Results and dividends

The group profit and loss account for the year is set out on page 7

The trading profit of the group for the year after taxation was £509,615 (2009 – profit of £373,443)

The directors have paid an ordinary interim dividend amounting to £1,000,000 (2009 – £500,000) and they do not recommend payment of a final dividend (2009 – £nil)

For the year ended 1 May 2010, profit before taxation of £679,800 (2009 – profit of £401,113) was achieved on sales of £9,090,270 (2009 – £14,453,322) Cash at bank and in hand decreased by £43,330 from £2,009,227 to £1,965,897

Principal activities and review of the business

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

The group has considerable financial resources As a consequence, the directors believe that the group is well placed to manage its business risk successfully despite the current economic outlook

Principal risks and uncertainties

The principal risk and uncertainties facing the group are a reduction in the size of the market and a reduction in the group's share of it Indeed, current economic conditions have impacted adversely activity levels during the year Exposure to risk is incurred by the group and company through overseas sales This exposure is minimised by invoicing in sterling where practicable and using foreign currency received for purchases where appropriate

Directors

The directors who served during the year were as follows

M J Bell
I L Donald (resigned 28 May 2010)
T L Donald (resigned 28 May 2010)
T Fernley
M P A O'Connell
D Pyle
M Steggles

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

Charitable donations

	2010	*2009*
	£	*£*
During the year the group made the following payments	214	780

Directors' report

Key performance indicators

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

Substantial shareholders

During the year, the company's shareholders were Portman International Securities Limited and MS International Plc which each owned 50% of the issued ordinary share capital of the company Each of the shareholders were 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' financial statements

After the year end, 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%

Creditor 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 54 days (2009 – 38 days) purchases

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

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 group'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

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
28 October 2010

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 group and the company and of the profit or loss of the group 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 proper accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 1 May 2010 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 26 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 auditors

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 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 (APB'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 group's and the parent 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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 1 May 2010 and of the group's profit 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or

- the parent company 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

Ernst & Young LLP

Stuart Watson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

29 October 2010

Group profit and loss account

for the year ended 1 May 2010

	Notes	2010 £	2009 £
Turnover	2	9,090,270	14,453,322
Cost of sales		(7,148,648)	(11,169,343)
Gross profit		1,941,622	3,283,979
Other operating expenses (net)	3	(1,277,462)	(2,916,794)
Operating profit	4	664,160	367,185
Interest receivable and similar income	7	15,847	40,794
		680,007	407,979
Interest payable and similar charges	8	(207)	(6,866)
Profit on ordinary activities before taxation		679,800	401,113
Tax on profit on ordinary activities	9	(170,185)	(27,670)
Profit for the financial year	21	509,615	373,443

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

Group statement of total recognised gains and losses

for the year ended 1 May 2010

	Note	2010 £	2009 £
Profit for the financial year		509,615	373,443
Currency translation differences on foreign currency net investments	21	20,505	(91,923)
Total gains and losses recognised since last financial statements		530,120	281,520

Group balance sheet

at 1 May 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible fixed assets	12	–	–
Tangible fixed assets	13	714,672	898 425
		714,672	898,425
Current assets			
Stocks	15	153,962	221,881
Debtors	16	1,493,345	1,765,085
Cash at bank and in hand		1,965,897	2,009,227
		3,613,204	3,996,193
Creditors: amounts falling due within one year	17	(1,714,220)	(1,810,303)
Net current assets		1,898,984	2,185,890
Total assets less current liabilities		2,613,656	3,084,315
Provisions for liabilities and charges	18	(8,877)	(9,656)
Net assets		2,604,779	3,074,659
Capital and reserves			
Called up share capital	19	100,000	100,000
Profit and loss account	20	2,504,779	2,974,659
Shareholders' funds	21	2,604,779	3,074,659

The financial statements were approved for issue by the board of directors on 28 October 2010 and signed on it's behalf by

T Fernley
Director

M O'Connell M. O'Connell
Director

Company balance sheet
at 1 May 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible fixed assets	12	–	–
Tangible fixed assets	13	610,574	806,002
Investments	14	31,726	31,726
		642,300	837,728
Current assets			
Stocks	15	117,879	165,487
Debtors	16	1,345,827	1,585,239
Cash at bank and in hand		1,339,522	846,786
		2,803,228	2,597,512
Creditors amounts falling due within one year	17	(1,527,271)	(1,600,114)
Net current assets		1,275,957	997,398
Total assets less current liabilities		1,918,257	1,835,126
Provisions for liabilities and charges	18	(8,877)	(9,656)
Net assets		1,909,380	1,825,470
Capital and reserves			
Called up share capital	19	100,000	100,000
Profit and loss account	20	1,809,380	1,725,470
Shareholders' funds	21	1,909,380	1,825,470

The financial statements were approved for issue by the board of directors on 28 October 2010 and signed on it's behalf by

T Fernley
Director

M O'Connell
Director

M. O'Connell

Group statement of cash flows

for the year ended 1 May 2010

	Notes	2010 £	2009 £
Net cash inflow from operating activities	22(a)	992,052	1,488,843
Returns on investments and servicing of finance			
Interest received		15,847	40,794
Interest paid		(207)	(6,866)
Net cash inflow from returns on investment and servicing of finance		15,640	33,928
Taxation received/(paid)		11,775	(385,550)
Capital expenditure			
Payments to acquire tangible fixed assets		(116,291)	(199,267)
Receipts from sales of tangible fixed assets		53,494	21,973
Net cash outflow from capital expenditure		(62,797)	(177,294)
Equity dividends paid		(1,000,000)	(500,000)
(Decrease)/increase in cash in the year	22(c)	(43,330)	459,927

Notes to the financial statements

at 1 May 2010

1. Accounting policies

Basis of preparation

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

Group financial statements

The group financial statements incorporate the results of the parent company and all of its subsidiary undertakings as at 1 May 2010 using acquisition accounting 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 five 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 charges 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 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

Tangible fixed assets

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets 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	– 5-8 years straight line
Computer equipment	– 3 years straight line
Fixtures, fittings and equipment	– 5 years straight line
Motor vehicles	– 3-5 years straight line

Investments

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

Stocks

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

Notes to the financial statements

at 1 May 2010

1 Accounting policies (continued)

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

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

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 timing 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

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

Notes to the financial statements

at 1 May 2010

1 Accounting policies (continued)

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 group during the year

2 Turnover

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

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

3. Other operating expenses

	2010	*2009*
	£	*£*
Administrative expenses	837,041	2,731,810
Distribution costs	392,275	472,811
Net loss/(gain) on foreign exchange transactions	48,146	(287,827)
	1,277,462	2,916,794

4. Operating profit

This is stated after charging/(crediting)

	2010	*2009*
	£	*£*
Depreciation of owned fixed assets	298,134	361,980
Profit on disposal of fixed assets	(43,614)	(21,973)
Operating lease charges – plant and machinery	4,550	4,550
Net loss/(gain) on foreign exchange transactions	48,146	(287,827)
Auditors' remuneration – audit of the financial statements	11,750	12,500
– tax services	–	2,500
Redundancy and termination costs	127,447	746,593

5. Directors' emoluments

	2010	*2009*
	£	*£*
In respect of the directors		
Emoluments for qualifying services	179,273	243,728
Company pension contributions to the group personal schemes	9,667	25,352
Compensation for loss of office	–	494,229
	188,940	763,309

Notes to the financial statements

at 1 May 2010

5. Directors' emoluments (continued)

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

	2010	2009
	£	£
Emoluments for qualifying services	93,357	72,901
Company pension contributions to group personal schemes	2,075	15,957
Compensation for loss of office	–	494,229

There were 2 directors (2009 – 3) in the company's group person pension scheme during the year

6. Staff costs

	2010	2009
	£	£
Wages and salaries	2,504,168	3,513,708
Social security costs	284,500	383,288
Other pension costs	37,426	390,303
	2,826,094	4,287,299

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

	2010	2009
	No	No
Production	52	77
Technical	29	37
Distribution and selling	4	3
Administration	7	8
	92	125

7. Interest receivable and similar income

	2010	2009
	£	£
Bank interest	10,440	40,064
Other interest	5,407	730
	15,847	40,794

Notes to the financial statements

at 1 May 2010

8. Interest payable and similar charges

	2010	2009
	£	£
On bank loans and overdrafts	207	10
On overdue tax	–	6,856
	207	6,866

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010	2009
	£	£
Current tax		
UK corporation tax on profit of the year	90,964	(93,066)
Adjustment in respect of previous periods	(21,593)	66,810
Foreign corporation tax	101,593	90,294
Total current tax (note 9(b))	170,964	64,038
Deferred tax		
Deferred taxation on profit of the year	–	(28,771)
Adjustment in respect of previous periods	(779)	(7,597)
Total deferred tax	(779)	(36 368)
Tax on profit on ordinary activities	170,185	27,670

Notes to the financial statements

at 1 May 2010

9 Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	2010	*2009*
	£	£
Profit on ordinary activities before taxation	679,800	401,113
Profit on ordinary activities before taxation multiplied by the following rate of UK corporation tax of 28% (2009 – 28%)	190,344	112,312
Effects of		
Non deductible expenses	7,000	11,047
Capital allowances less than depreciation	10,466	7,778
Other short term timing differences	(9,687)	20,993
Foreign tax adjustment	942	(187,204)
Adjustment for prior years	(21,593)	66,810
Other tax adjustments	(6,508)	32,302
Current tax for the year (note 9(a))	170,964	64,038

(c) Factors which may affect future tax charges

On 22 June 2010, the UK government announced proposal to reduce the main rate of corporation tax from 28% to 24% over 4 years with effect from 1 April 2011 As at 1 May 2010, the tax rate was not substantially enacted

In addition, changes to the capital allowances regime was proposed including a reduction in the rate of capital allowances on plant and machinery additions from 20% to 18% and a reduction in the rate of the special rate pool from 10% to 8% with effect from 1 April 2012 As at 1 May 2010, this proposal was not substantially enacted

If these changes had been substantially enacted, the deferred tax liability at 1 May 2010 would have decreased by a maximum of £1,268

10. Dividends

	2010	*2009*
	£	£
Ordinary		
Interim paid – £10 00 per share (2009 – £5 00)	1,000,000	500,000

Notes to the financial statements

at 1 May 2010

11 Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements The parent's profit for the financial year is £1,083,910 (2009 – loss of £249,040)

12. Intangible fixed assets

Group

	Other intangible assets	*Goodwill*	*Total*
	£	*£*	*£*
Cost			
At 2 May 2009 and at 1 May 2010	10,000	373,411	383,411
Amortisation			
At 2 May 2009 and at 1 May 2010	10,000	373,411	383,411
Net book value			
At 2 May 2009 and at 1 May 2010	–	–	–

Company

	Other intangible assets	*Goodwill*	*Total*
	£	*£*	*£*
Cost			
At 2 May 2009 and at 1 May 2010	10,000	373,411	383,411
Amortisation			
At 2 May 2009 and at 1 May 2010	10,000	373,411	383,411
Net book value			
At 2 May 209 and at 1 May 2010	–	–	–

Notes to the financial statements

at 1 May 2010

13 Tangible fixed assets

Group

	Leasehold improvements	*Plant and machinery*	*Motor vehicles*	*Total*
	£	£	£	£
Cost				
At 2 May 2009	371,565	1,667,589	644,180	2,683,334
Additions	–	8,012	108,279	116,291
Exchange rate movements	–	15,741	18,190	33 931
Disposals	–	(68,699)	(297,348)	(366,047)
At 1 May 2010	371,565	1,622,643	473,301	2,467,509
Depreciation				
At 2 May 2009	172,713	1,131,787	480,409	1,784,909
Charge for the year	52,553	140,111	105,470	298,134
Exchange rate movements	–	14,466	11,495	25,961
Disposals	–	(66,543)	(289,624)	(356,167)
At 1 May 2010	225,266	1,219,821	307,750	1,752,837
Net book value				
At 1 May 2010	146,299	402,822	165,551	714,672
At 2 May 2009	198,852	535,802	163,771	898,425

Company

	Leasehold improvements	*Plant and machinery*	*Motor vehicles*	*Total*
	£	£	£	£
Cost				
At 2 May 2009	371,565	1,485,036	433,238	2,289,839
Additions	–	4,705	53,305	58,010
Disposals	–	(68,699)	(204,651)	(273,350)
At 1 May 2010	371,565	1,421,042	281,892	2,074,499
Depreciation				
At 2 May 2009	172,713	963,985	347,139	1,483,837
Charge for the year	52,547	132,239	65,567	250,353
Disposals	–	(66,543)	(203,722)	(270,265)
At 1 May 2010	225,260	1,029,681	208,984	1,463,925
Net book value				
At 1 May 2010	146,305	391,361	72,908	610,574
At 2 May 2009	198,852	521,051	86,099	806,002

Notes to the financial statements

at 1 May 2010

14 Investments

Company

	Shares in group undertakings
	£
Cost	
At 2 May 2009 and 1 May 2010	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*	*Class of shares*	*Shares held %*	*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	Intermediate holding company
GLOBAL MSI Sp zoo *	Poland	Ordinary	100	Installation of canopies

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

* Held indirectly

15. Stocks

		Group		*Company*
	2010	*2009*	*2010*	*2009*
	£	*£*	*£*	*£*
Raw materials and consumables	79,670	133,121	44,877	93,616
Long term contracts				
At net cost less foreseeable losses	289,195	391,828	219,011	314,589
Payments received on account	(214,903)	(303,068)	(146,009)	(242,718)
	74,292	88,760	73,002	71,871
	153,962	221,881	117,879	165,487

Notes to the financial statements

at 1 May 2010

16 Debtors

		Group		*Company*
	2010	*2009*	*2010*	*2009*
	£	£	£	£
Trade debtors	1,350,243	1,513,540	1,201,793	1,335,921
Amounts owed by group undertakings	–	–	42,091	33,965
Amounts owed by associated undertakings	7,210	12,478	5,269	12,478
Other debtors	11,842	10,594	8,424	10,390
Foreign corporation tax	17,956	15,741	–	–
UK corporation tax	–	93,990	–	93,990
Prepayments and accrued income	82,370	89,458	64,526	69,211
Amounts recoverable on contracts	23,724	29,284	23,724	29,284
	1,493,345	1,765,085	1,345,827	1,585,239

17. Creditors amounts falling due within one year

		Group		*Company*
	2010	*2009*	*2010*	*2009*
	£	£	£	£
Prepayments received on account	221,538	325,682	143,971	247,325
Trade creditors	735,355	881,734	656,572	762,050
Amounts owed to group undertakings	–	–	43,043	38,188
Amounts owed to associated undertakings	37,310	531	35,368	531
UK corporation tax	90,964	–	90,965	–
Other creditors	63,277	66,743	46,769	47,029
Other tax and social security	226,603	179,657	214,548	151,703
Accruals and deferred income	329,243	345,894	286,105	343,226
Pension contributions	9,930	10,062	9,930	10,062
	1,714,220	1,810,303	1,527,271	1,600,114

Notes to the financial statements

at 1 May 2010

18. Provisions for liabilities and charges

Group and company

	Deferred taxation £	Total £
At 2 May 2009	9,656	9,656
Credited to profit and loss account	(779)	(779)
Balance at 1 May 2010	8,877	8,877

Provision for deferred tax has been made as follows

	2010 £	2009 £
Excess of tax allowances	23,394	33,860
Other timing differences	(14,517)	(24,204)
	8,877	9,656

19 Issued share capital

	2010 No	2010 £	2009 No	2009 £
Allotted, called up and fully paid				
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
		100,000		100,000

20. Profit and loss account

Group	£
At 2 May 2009	2,974,659
Profit for the financial year	509,615
Dividends (see note 10)	(1,000,000)
Foreign currency translation differences	20,505
At 1 May 2010	2,504,779

Company	£
At 2 May 2009	1,725,470
Profit for the financial year	1,083,910
Dividends paid (see note 10)	(1,000,000)
At 1 May 2010	1,809,380

Notes to the financial statements

at 1 May 2010

21. Reconciliation of movements in shareholders' funds

Group	*2010* £	*2009* £
Profit for the financial year	509,615	373,443
Dividends (see note 10)	(1,000,000)	(500,000)
	(490,385)	(126,557)
Other recognised gains and losses	20,505	(91,923)
Net reduction to shareholders' funds	(469,880)	(218,480)
Opening shareholders' funds	3,074,659	3,293,139
Closing shareholders' funds	2,604,779	3,074,659

Company	*2010* £	*2009* £
Profit/(loss) for the financial year	1,083,910	(249,040)
Dividends (see note 10)	(1,000,000)	(500,000)
Net addition/(reduction) to shareholders' funds	83,910	(749 040)
Opening shareholders' funds	1,825,470	2,574,510
Closing shareholders' funds	1,909,380	1,825,470

22. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	*2009* £
Operating profit	664,160	367 185
Depreciation of tangible assets	298,134	361,980
Profit on disposal of fixed assets	(43,614)	(21,973)
Decrease in stocks	67,918	635,947
Decrease in debtors	179,965	1,935,318
Decrease in creditors within one year	(187,047)	(1 712.107)
Net effect of foreign exchange differences	12,536	(77,507)
Net cash inflow from operating activities	992,052	1,488,843

(b) Analysis of net debt

	2 May 2009 £	*Cash flow* £	*1 May 2010* £
Net cash			
Cash at bank and in hand	2,009,227	(43,330)	1,965,897

Notes to the financial statements

at 1 May 2010

22. Notes to the statement of cash flows (continued)

(c) Reconciliation of net cash flow to movement in net funds

	2010	*2009*
	£	*£*
(Decrease)/increase in cash in the year	(43,330)	459,927
Movement in net funds in the year	(43,330)	459,927
Opening net funds	2,009,227	1,549,300
Closing net funds	1,965,897	2,009,227

23 Pensions

A defined contribution group 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 group to the funds and amounted to £37,426 (2009 – £390,303) There were outstanding contributions at the year end amounting to £9,930 (2009 – £10,062)

24. Other financial commitments

At 1 May 2010, the group had annual commitments under non-cancellable operating leases as follows

	2010	*2009*
	£	*£*
Plant and machinery,		
Expiring in the first year	–	–
Expiring in the second to fifth year	4,550	4,550
	4,550	4,550

Notes to the financial statements

at 1 May 2010

25 Related party transactions

Group

The company's shareholders during the year were 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 – £5,963 (2009 – £5,717)

Purchase of goods and services – £70,067 (2009 - £578,800)

MS International Plc

Sales – £30,120 (2009 – £201,419)

Purchase of goods and services – £335,324 (2009 – £872,510)

The following balances relating to the above transactions are included in the group balance sheet at 1 May 2010

Amounts due from associated undertakings £7,210 (2009 – £12,478)

Amounts owed to associated undertakings £37,310 (2009 – £531)

26 Post balance sheet event

After the year end, 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%