

MS INTERNATIONAL plc

Annual Report 2025



Company Registration Number 00653735

Contents

The year in brief	2
Chairman's statement	3
Directors	6
Advisors	7
Strategic report	8
Statement of directors' responsibilities	14
Independent auditor's report	15
Consolidated income statement	24
Consolidated statement of comprehensive income	24
Consolidated and company statement of changes in equity	25
Consolidated and company statements of financial position	27
Consolidated and company cash flow statements	28
Notes to the financial statements	29
Summary of Group results 2021 – 2025	73
Corporate governance statement	74
Audit committee report	78
Report of the directors	79
Remuneration committee report	84
Directors' remuneration report	85
List of subsidiaries	88

The year in brief

	2025	2024
	Total	Total
	£'000	£'000
Revenue	117,503	109,576
Profit before taxation	20,050	15,712
Earnings per share: basic	90.0p	71.0p
Earnings per share: diluted	87.0p	67.5p
Dividends payable per share	23.0p	19.5p

Financial calendar key dates

Annual results announced	June
Annual general meeting	August
Final dividend payable	August
Half-year results announced	December
Interim dividend payable	January

Chairman's statement

Introduction

In addition to commenting on another record financial performance, and giving as much clarity as possible on future prospects and our ambitions, I will, within this particularly significant year end statement outline decisions arising from our review of the future strategic priorities for the Group, including news of a proposed Board appointment.

Operating Environment

Many public companies now comment on the difficulties in planning and forecasting outcomes given the various conflicts around the world and the, as yet, unresolved international protectionist issues. Naturally, these macro factors will affect MSI but, despite wider uncertainties, we remain positive as we have several strategic positions which give us significant commercial advantages.

International Focus on Defence

A very positive development for us is the intensifying focus on defence spending internationally and the recognition by NATO Governments that spending 5% of GDP on defence is an objective given the uncertainties and hostilities in the world. However, the necessity for governments to balance budgets inevitably means that these targets might take some countries a few years to achieve. Last year also brought multiple government changes around the world and, in many cases, this led to defence reviews which continue to have the short term effect of slowing down orders. Nevertheless, the medium and long term prospects for the Defence and Security division are better today than ever before.

2024/5 Results (Year ending April 2025)

I am delighted to report that we have, once again, made excellent progress across all Group companies.

This is reflected in another record pre-tax profit amounting to £20.05m (2024 – £15.71m) on increased revenue of £117.50m (2024 – £109.58m).

Basic earnings per share were 90.0p (2024 – 71.0p).

The balance sheet remains strong with cash and cash equivalents of £27.78m (2024 – £42.68m).

The Group order book at the April year end was marginally lower than the record figure reported last year. This is purely owing to delays in the placing of substantial defence equipment orders as both military requirements and governments have changed.

a) 'Defence and Security' – This division now accounts for 70% of Group turnover. It was a record year for export sales, particularly Naval weapons systems for the United States and the first deliveries of Naval weapons systems for the German Navy. We also continued to fulfil various orders from the Middle East for our "VSHORAD" land-based counter drone weapons systems.

Looking ahead, there's encouraging international interest in our MSI-DS Land Systems products.

Despite the challenges presented by international uncertainties and government reviews, this has been a highly creditable performance from the Defence and Security division.

b) 'Forgings' – Following a slow first half, resulting from overstocking by many lift-truck manufacturers (mainly of low priced Chinese fork-arms), the second half has shown a real recovery. Our ability to deliver 'a la carte' products quickly is becoming increasingly attractive to the market.

Our overseas plants in the US and Brazil enjoyed successful years and, in recent weeks, both have reported an upturn in demand. Our US manufacturing operation is now a key facility and asset given the tariff issues and the significant potential to develop the site for any future manufacturing opportunities which we believe will arise.

Chairman's statement

c) 'Petrol Station Superstructures' – This division's longstanding reputation as the UK and East European market leader in the design, manufacture, construction, and maintenance of vehicle refuelling roadside stations continues to be a major factor in our prominent role within the transformation of UK forecourt designs.

I am pleased to report that we have reinforced our dominant market position by completing several substantial, complex new fuel and convenience hubs, including provision for electric vehicles, on major UK roads.

Inevitably, the war in Ukraine continues to depress site development and maintenance work across many parts of Eastern and Northern Europe. When a solution to this conflict is found, we expect this business to be very well placed for considerable maintenance work and general growth.

d) 'Corporate Branding' – Our UK business, which concentrates on petrol stations, produced an outstanding performance. The business in the Netherlands serves a more diverse range of sectors (including petrol stations, airports and theme parks) but following the recent restructuring is expected to return to profitability this year.

Outlook

a) 'Defence and Security' – We have recently received a request for purchase (RFP) from the US Navy for another year's procurement programme of our MSI-DS 30mm Naval Weapon Systems. I have commented on this in previous reports to shareholders. In addition, we are already establishing a weapons support facility alongside our existing advanced manufacturing fork-arms facility in the US.

Shareholders will note that our revenue from defence contracts is recognised as performance obligations are satisfied, which is when control of goods and services has transferred to the customer. The significance is that, whilst we might be busy in our factories, the timing of the transfer of control means revenue and profits are not instantly recognised. With government reviews and subsequent delayed decisions, we anticipate that this will impact the current financial year but we remain very optimistic about the next two full financial years.

b) 'Forgings' – As a leading international supplier of fork-arms, with advanced manufacturing facilities on three continents, the division is strategically poised to benefit from the recent upheaval in the market and current recovery in demand.

c) 'Petrol Station Superstructures' – As the market leader in both the UK and Eastern Europe, the division is well positioned, experienced and structured to benefit from the many exciting prospects that contemporary forecourt designs present.

The prospects for this division are good, with buoyant conditions in the UK. The number of planning applications for proposed fuel station redevelopment projects suggests a strong potential pipeline. The operation in Poland will, inevitably, continue to face serious challenges until a resolution is found to the war. At that stage, it should benefit from the reconstruction that must follow the neglect in the region that has taken place in the last three years.

d) 'Corporate Branding' – The UK business will continue to flourish in the current year with an encouraging number of petrol stations both rebranding and undertaking maintenance programmes.

As stated earlier, the business in the Netherlands needs further restructuring and boosted with the recent increased synergy with the UK should return to profitability in the year.

Chairman's statement

Review of Future Strategic Priorities for the Group

In all my recent statements I have referred to our internal review of the strategic priorities for the Group and I announced certain management changes at the Interim stage in December. I can now provide greater substance and clarity on the outcome of this review.

Given the growth of our Defence and Security division, and its medium and long term prospects, we have decided that this should become the Group's primary focus.

We are, therefore, looking at the operational structures we have in place to make these as efficient and appropriate as possible under the leadership of John Meldrum (aged 56), who has been running the UK Defence and Security division for 6 years, supported by David Hansell.

As a result of this decision, I am pleased to welcome John Meldrum to the Board of MSI plc, which will become effective following the satisfactory completion of customary regulatory checks.


Our new focus on Defence encouraged us to test the market's potential interest in purchasing the businesses of Forgings, Petrol Station Superstructures and Corporate Branding. With the help of external financial advisors, this process was run in the Spring and considerable interest was expressed by financial buyers but not at the levels that represented an attractive proposition for MSI shareholders.

The process was, however, very motivating for the businesses and their managements, and we will continue to introduce efficiencies to these excellent businesses whilst we look at future strategic options. We are not in a rush to sell these successful businesses as they continue to have considerable potential and make a significant contribution to the Group. I expect to be able to give shareholders more clarity later this year as and when relevant news is available.

Summary and Final Dividend

This has been another year of outstanding trading performance and growth and, as I have outlined in this Statement, we are confident that the Group is well positioned for the future despite the many current international challenges.

The Board recommends the payment of a final dividend of 18p per share (2024 – 16.5p), making a total for the year of 23p per share (2024 – 19.5p). The dividend is expected to be paid on 22nd August 2025 to shareholders on the Register at the close of business on 18th July 2025.



Michael Bell
Executive Chairman
 27th June 2025

Directors

Directors

Executive:

Michael Bell ARICS (Executive Chairman)

Michael O'Connell FCA (Managing Director)

Nicholas Bell

Shelley Ashcroft ACMA (Finance Director)

Non-executive:

Roger Lane-Smith – Age 79

Appointed as a director on 21st January, 1983. He is a non-executive director of Mostyn Estates Limited and a number of other private companies.

David Hansell – Age 80

Appointed as a non-executive director on 3rd June, 2014. David has been with MS INTERNATIONAL plc, working at MSI-Defence Systems Ltd since 1962, becoming managing director in 2002 until his retirement from the position in May 2014.

Company Secretary

Shelley Ashcroft ACMA

Registered Office

Balby Carr Bank

Doncaster

DN4 8DH

England

Company Registration Number 00653735

Advisors

Independent Auditor

Grant Thornton UK LLP
No. 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

Registrars and Transfer Office

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

DLA Piper UK LLP
1 St. Peter's Square
Manchester
M2 3DE

Nominated Advisors

Shore Capital & Corporate Limited
Cassini House
57 St James's Street
London
SW1A 1LD

Brokers

Shore Capital Stockbrokers Limited
Cassini House
57 St James's Street
London
SW1A 1LD

Bankers

Lloyds Bank plc
First Floor
14 Church Street
Sheffield
S1 1HP

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Strategic report

This report should be read in conjunction with the Chairman's statement and the Corporate governance statement.

Strategy

The Group is engaged in the design and manufacture of specialist engineering products and the provision of related services.

The Group's long-term strategy is to invest in people, products and processes to seek continuous improvement in its four diverse operating divisions: 'Defence and Security', 'Forgings', 'Petrol Station Superstructures' and 'Corporate Branding', each holding a leading position in its specialist market.

Principal activities

The Group is comprised of four main operating divisions, each with distinct principal activities.

- 'Defence and Security' division – the design and manufacture of defence and security equipment.
- 'Forgings' division – the manufacture of fork-arms and open die forgings.
- 'Petrol Station Superstructures' – the design, manufacture, construction, and maintenance of petrol station superstructures.
- 'Corporate Branding' – the design, manufacture, installation, and service of corporate branding, including media facades, way-finding signage, public illumination, creative lighting solutions, and the complete appearance of petrol station superstructures and forecourts.

The Company is engaged in the activities of head offices in addition to the activities of the 'Forgings', 'Petrol Station Superstructures' and 'Corporate Branding' divisions described above.

Business review

During the year the Group achieved record revenue of £117.50m, which represents a 7.2% increase on the prior year revenue of £109.58m. The main driver of the increase was the additional sales generated in the 'Defence and Security' division as deliveries of the new PALADIN counter drone land-based weapon systems continued during the year.

The Group registered a profit before taxation of £20.05m (2024 – £15.71m) after a loss of £0.01m (£1.21m gain) in relation to marking outstanding forward exchange contracts to fair value.

A review of the operations of the Company and subsidiaries and their position at 30th April 2025 are provided in the Chairman's Statement. Segment information for the year under review is provided in note 4 of the Group financial statements.

Information on the Group's activities, strategy, and future prospects can be found in the Chairman's Statement.

Key performance indicators

	2025	2024
	£'000	£'000
Revenue	117,503	109,576
Profit before tax	20,050	15,712
Profit before tax %	17%	14%
Basic earnings per share	90.0p	71.0p
Diluted earnings per share	87.0p	67.5p
Cash and cash equivalents	23,745	35,509
Total cash balance (including short term Escrow investments)	27,783	42,679

A review of the changes in the key performance indicators is provided in the Chairman's Statement.

Strategic report

Continued

Forward exchange contracts

As a result of several USD denominated contracts in the 'Defence and Security' division, management have reduced the risk of currency exposure by taking out a number of USD to GBP forward exchange contracts, the details of which can be found in note 6. Hedge accounting has not been adopted and as a result a loss of £0.1m (2024 – £1.21m gain) in relation to the change in the fair value of the forward contracts has been recognised within the Consolidated income statement.

Prior year adjustment

During the year, management identified that the Company had not accounted for corporation tax relief and the associated deferred tax in respect of share based payments. As the tax deduction exceeded the cumulative equity share-based payment charge, the current and deferred tax associated with the excess has been recognised directly in equity. This has resulted in a total restatement of £1,663,000 to the statement of financial position for the year ending 30th April 2024, increasing total equity shareholders' funds from £28,992,000 to £30,655,000. There was no impact on the profit or loss for the year ending 30th April 2024 in respect of this adjustment. Further details can be found in note 33.

Cash flow

During the year the Group's cash balance, including restricted cash held in Escrow, reduced from £42.68m to £27.78m. This reduction was mainly due to less cash being generated from operating activities than in the prior year, £0.92m in 2025 compared to £39.22m in 2024, as the 'Defence and Security' division manage working capital requirements of large contracts won in the prior year.

The Group's central treasury function has sought to maximise interest income on positive bank balances and has been successful in generating £1.35m (2024 – £1.18m) of interest during the year. This has been the result of favourable interest rates on transactional bank accounts and the use of overnight and 32 day notice deposit accounts.

There continues to be significant investment into product development within the 'Defence and Security' division, with the Group increasing spend on research and development from £1.18m in 2024 to £2.44m in 2025. This is primarily on the development of the portfolio of small to medium calibre naval, land-based, and other stabilised weapon systems that the 'Defence and Security' division offers to its worldwide customer base.

Capital expenditure for the Group totalled £3.73m in the year (2024 – £4.90m). This includes £1.56m (2024 – £2.19m) invested into the production facility in Norwich in order to increase production capacity in the 'Defence and Security' division. A total of £5.14m has now been expended on the Norwich facility over the past three years.

During the year the Company purchased 415,000 (2024 – 290,000) of its own shares for a total consideration of £4,483,000. Details of the share buy backs can be found in note 23.

Revaluation of land and buildings

In March 2025 the properties in Doncaster (UK), Norwich (UK), Rock Hill (USA) and Krakow (Poland) were revalued by independent valuers. This resulted in a combined upwards revaluation of £1,080,000. Further details of the revaluation can be found in note 12.

Pension scheme

The defined benefit pension liability remains at £nil at the reporting date. The implementation of a new investment strategy in August 2023 has allowed the Company to significantly derisk the Scheme and the majority of the Scheme's assets have been transferred into low risk investments such as UK bond funds. It is anticipated that the new investment strategy will significantly reduce the risk of interest rate movements and the Scheme's funding will become stable.

The pension scheme remains in a funded surplus, with no further deficit reduction payments required. As the Company does not have an unconditional right to the economic benefit of the surplus, the value of the pension scheme is limited to the present value of future contributions, which at the reporting date was £nil. Details of the defined benefit pension scheme can be found in note 24.

Strategic report

Continued

Principal risks and uncertainties

The principal risks and uncertainties facing the Group have been identified as follows:

Risk and impact	How the risk is mitigated
<p>Foreign exchange</p> <p>A proportion of the Group's revenue, profits, and net assets are denominated in currencies other than Sterling, such as the US Dollar and Euro, and to a lesser extent the Brazilian Real and Polish Zloty.</p> <p>Fluctuations in exchange rates may impact the Group's financial position and results due to translation into sterling, as well as having implications on the pricing of materials sourced in foreign currencies.</p> <p>The risk that foreign exchange fluctuations will impact the Group's performance remains high. A number of international contracts in the 'Defence and Security' division are denominated in USD, which has created a currency exposure within the Group.</p>	<ul style="list-style-type: none"> ● The largest currency exposures are in USD and Euro. Receipts and payments are offset against each other where possible and any surpluses are either hedged or sold at spot rate, depending on the requirements of the Group as a whole. ● Given that a number of international contracts in the 'Defence and Security' division are denominated in USD, management have taken steps to mitigate the risk of currency exposure by taking out various forward exchange contracts (note 6). The level of forward cover is determined on an individual contract basis, taking into account the net currency exposure of USD receipts and USD purchases. ● Cash flows are monitored weekly on a rolling basis to ensure currency requirements are satisfied. ● Cashflows in other currencies, including Brazilian Real and Polish Zloty, are not hedged, however, as volumes are so low management does not deem this necessary. ● A central treasury function monitors foreign currency cashflows, ensuring that balances are transferred around the Group when required, and engaging in foreign currency trading when appropriate. The details of current forward exchange contracts are shown in note 6. The need for further contracts is monitored on an ongoing basis. ● More information on the Group's exposure to foreign exchange can be found in note 28 "Financial instruments"
<p>Inflationary pressures</p> <p>There is a risk to the Group of inflationary increases in the countries in which it operates, particularly in relation to raw materials prices and energy prices. As the Group has a number of long-term contracts, rapid increases in prices could impact the profitability of the contract.</p>	<ul style="list-style-type: none"> ● The impact of raw material price changes is monitored regularly at a divisional level and reported to the Board. Where possible increases are passed to the customer. ● With regards to customers under long-term contracts, such contracts include a clause to allow for raw materials price increases where possible. ● There are a number of projects and energy saving initiatives across the Group to reduce energy consumption as outlined in section 11 of the Report of the directors.

Strategic report

Continued

Principal risks and uncertainties (continued)

Risk and impact

How the risk is mitigated

Production capacity

Given the increasing demand for the Group's products, specifically in the 'Defence and Security' division, increased capacity is required to satisfy customers' delivery requirements. Managing the increase in production capacity comes with both risks and challenges.

- Significant investment in the facility at Norwich has taken place over the past few years, including a new production line for PALADIN systems, which adds to the already expanded gun build capacity.

Customer demand

The level of customer demand for the Group's products and services is another risk and uncertainty. Customer demand is driven by general economic and political conditions as well as by pricing, product quality, and delivery performance.

- Significant investment into both production facilities and product development has placed the Group in a strong position to be able to take advantage of opportunities worldwide. Both the continuous improvement of existing product ranges and the development of new products has given rise to new opportunities for the Group, which has in turn opened up new markets and territories. Through its ongoing investment into product development, the Group believes it can maintain competitive advantage.

Staff retention

The group's performance is largely dependent on the retention of key members of staff, including senior management, technical staff and product development teams. Given the significant growth within the Group over the past few years, particularly in the 'Defence and Security' division, recruitment and training of employees with the right skills is also key to driving value.

- The Group's growth provides excellent opportunities for career development of talented individuals. The Group endeavours to provide an environment in which skilled individuals are attracted to the business through the nature and variety of work on offer.
- Apprenticeship schemes are used where possible, in order for the Group to develop its own people with the relevant skills for the future.
- The Group offers competitive rates of pay and certain incentive schemes to retain key staff.

Tariffs

The introduction of tariffs and potential for the introduction of further tariffs on imports into the USA presents both risks and challenges, specifically for the 'Forgings' division.

As a US manufacturer, any tariffs imposed on imports into the USA increases the cost of purchasing raw materials. While the group endeavours to pass on price increases, in doing so there is a risk of reducing customer demand.

- Having 'Forgings' manufacturing facilities in both the UK and the USA, places the Group in a good position to react to the changing tariff environment as and when changes arise.
- When new tariffs are announced, the impact on the supply chain and the division's cost base are assessed in order to make decisions about the best approach for the division. This includes, but is not limited to, decisions to enable the maximisation of profit within the 'Forgings' division as a whole.
- 'Forgings' are well prepared to be able to take advantage of any potential opportunities arising from changing tariffs on competitor product arriving from outside of the USA.

Strategic report

Continued

General duties of directors

The directors of the Company undertake their duties in accordance with the requirements outlined in Section 172 of the Companies Act 2006, which states that “a director of a company must act in a way that they consider, in good faith, would be most likely to promote the success of the company for its members as a whole”.

In doing so, the Board is required to have regard for the matters set out below.

The likely long-term consequences of any decision;

The Board considers its employees, customers, suppliers, and shareholders to be its major stakeholders. When taking decisions for the long-term future of the Group, the Board takes into consideration the interests of all these stakeholders in its deliberations.

The interests of the Group’s employees;

The Board recognises that employees are essential to the success, growth and development of the Group. Their hard work, skill, and ability to satisfy customers’ needs are fundamental in driving the performance of the Group and underpin the Group’s ability to deliver future strategy. The retention of staff is therefore critical to the long-term success of the business.

To this end, health, safety and wellbeing of employees is a key priority. The Board seeks to ensure that employees are remunerated competitively and fairly, with pay reviews being conducted at least once per year. Furthermore, various employee incentive schemes align with the goals and objectives of the Group, both in the long and short term, in order to foster mutual success. Finally, the Group identifies opportunities for employee development where possible and it is hoped that the growth in the Group provide exciting and rewarding challenges for staff.

The need to foster and maintain good business relationships with customers, suppliers, and others;

The Group operates on a decentralised structure with employee, customer, and supplier relationships delegated to the management of the operating companies. It is the responsibility of divisional management teams to ensure that good relationships are maintained with employees, customers, and suppliers and to report regularly to the executive directors regarding these relationships.

The Group’s divisions maintain good long-term supplier relationships by contracting on standard terms and conditions, and ensuring payment is made on a prompt basis. These relationships with key suppliers ensure the quality and continuity in the supply chain. As the Group is experiencing a period of significant growth, the relationship with the supply chain has become of increasing importance. By working with key suppliers to aid capacity planning, the Group has been able to procure efficiently.

The executive directors receive regular updates from the management of operating companies on both existing and new potential customer relationships. This ensures that the Board’s decision making takes into account the commercial and service requirements of the customer base.

Strategic report

Continued

General duties of directors (continued)

The impact of the Group's operations on the community and environment;

The Board recognises the impact of its business decisions on the community and the environment. The Group maintains its continuous improvement approach to reducing energy consumption, particularly at both the Doncaster and Norwich sites. Ongoing energy reduction plans and production efficiency improvements continue to reduce energy usage across the Group, therefore minimising the environmental impact of our processes. Solar panels have been installed at both the Doncaster and Norwich site, allowing the Group to draw on green energy during the day and feed back surplus green energy into the National Grid. Further details of our carbon and energy reporting can be found in the Report of the Directors on page 79.

The Group's reputation for high standards of business conduct and the need to act fairly between members of the Company, and;

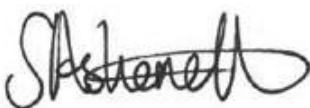
The Board recognises the importance of maintaining high standards of business conduct and has appropriate policies in place, such as, employee Whistleblowing and Anti-Bribery and Corruption, to assist in setting a culture of ethical behaviour throughout the Group.

The need to act fairly between members of the Company.

The directors are committed to treating all shareholders equally and, as part of its decision making process, the Board considers the interest of shareholders as a whole. The Board recognises that it may need to balance competing interest in reaching its decisions and where there are competing interests, the Board will act as equitably and fairly as possible. For more information please see the Corporate Governance report.

As an AIM quoted company, the Company has adopted as far as practical for a group of its size, the April 2023 QCA Corporate Governance Code. The Company describes how it complies with the code and provides details of where it does not comply on pages 75 to 77. The Corporate Governance Code is also available on the company's website at www.msipic.com/corporate-governance.

By order of the Board,



Shelley Ashcroft
Group Finance Director

27th June 2025

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare such financial statements for each financial year. Under that law, the directors have prepared Group financial statements under UK adopted International Accounting Standards. The directors have elected to prepare Parent Company financial statements under UK adopted International Accounting Standards.

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 Parent Company and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and to 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 Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware;
- the directors have taken all the steps that they as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

To the best of the directors knowledge:

- the Group financial statements, prepared in accordance with UK adopted International Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Statement of directors' responsibilities was approved by the Board on 27th June 2025.

By order of the Board:



Michael O'Connell
Group Managing Director

27th June 2025

Independent auditor's report to the members of MS INTERNATIONAL plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of MS INTERNATIONAL plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 April 2025, which comprise the Consolidated income statement, Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity, the Consolidated and Company statements of financial position, the Consolidated and Company cash flow statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation is applicable law and UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 April 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included challenging the underlying data and key assumptions used by the directors to make their going concern assessment, evaluating their plan for future actions in relation to that assessment and challenging the position of the business to assess their ability to meet obligations in a worst-case scenario. The worst-case scenario analysis corroborated the directors' assessment that there is no material uncertainty in relation to going concern. Our evaluation comprised the following procedures:

- Obtaining management's base case cash flow forecasts and other forecast scenarios as detailed below, covering the period to 31 October 2026, and assessing how these cash flows forecasts were compiled;
- Performing arithmetical accuracy procedures on each of management's forecast scenarios;
- Assessing revenue growth and cost inflation assumptions, determining their appropriateness by comparing to external market data and historic performance, applying relevant sensitivities to the underlying assumptions, and challenging those assumptions;
- Assessing the Group's orderbook and corroborating to underlying contracts to verify the accuracy of the orderbook;
- Assessing the accuracy of management's past forecasting by comparing their forecasts for the last two years to the actual results and considering the potential impact on the base case cash flow forecast;
- Assessing worst-case scenario sensitivities to determine the potential impact of possible changes in the assumptions made regarding business performance and position. We evaluated the impact of no new business being secured on the level of forecasted revenue and on the overall performance and position of the business, including the impact on forecast cash headroom. We considered whether the assumptions are consistent with our understanding of the business derived from other detailed audit work undertaken;
- Confirming the cash held by the Group at 30 April 2025 and again at the point of signing the account. Compared this to the cash requirements indicated in management's forecasts, noting that the balance held is significantly higher than that forecast;
- Assessing the Group's orderbook and corroborating to underlying contracts to verify the accuracy of the orderbook;
- Assessing the impact and feasibility of mitigating actions available to management in respect of the ability to restrict cash impact, including the level of available facilities; and
- Assessing the adequacy of related disclosures within the annual report.

Independent auditor’s report to the members of MS INTERNATIONAL plc

Continued

Conclusions relating to going concern (continued)

In our evaluation of the directors’ conclusions, we considered the inherent risks associated with the Group’s and the parent company’s business model including effects arising from macro-economic uncertainties such as the cost of living crisis and global geopolitical uncertainty with considerable impacts on the global defence industry, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group’s and the parent company’s financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and the parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit



Overview of our audit approach

Overall materiality:

Group: £2,005,000, which represents 10% of the Group’s forecast profit before tax at the planning stage of the audit.

Parent company: £689,000, which represents 2.5% of the Company’s net assets at the planning stage of the audit.

Key audit matters were identified as:

- Defence and Security revenue recognition (same as prior year)

No other key audit matter was identified in the prior year.

Scoping has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key results in the financial statements; specifically, we performed the following audit work:

- Group revenue: 84%
- Group total assets: 91%
- Group profit before tax: 88%

We performed an audit of the financial information of five components using component materiality (full-scope audit).

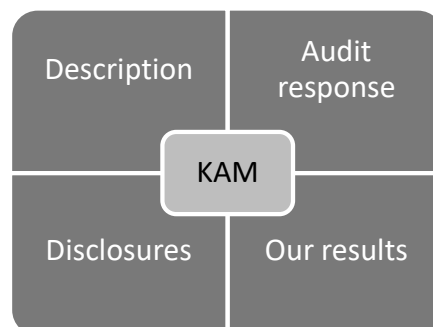
We then performed specified audit procedures on two components.

We performed analytical procedures at Group level (analytical procedures) on the financial information of all the remaining Group components and performed tests on material balances where appropriate.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

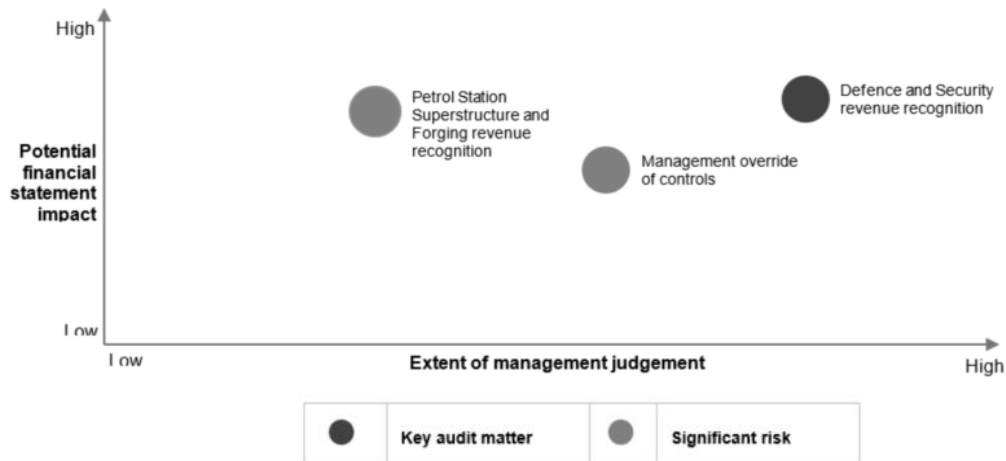


Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Key audit matters (continued)

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter - Group

How the matter was addressed in the audit - Group and parent company

Defence and Security revenue recognition

We identified Defence and Security revenue recognition as one of the most significant assessed risks of material misstatement due to fraud and error.

Defence and Security revenue is a major driver of the business and the most significant revenue stream for the Group financial statements in the current year. There is judgement around the appropriate method of revenue recognition and the assessment as to whether revenue should be recognised over time or at a point in time.

The Group generates total revenues of £117.5m, £82.5m of which can be attributed to the Defence and Security segment. £77.4m of this revenue was recognised at a point in time and £5.1m was recognised over time.

There is a fraud risk that revenue recognised on significant contracts signed in the year may not be appropriately accounted for in accordance with International Financial Reporting Standards ('IFRS') 15 'Revenue from Contracts with Customers' with particular risk related to the identification of performance obligations as being satisfied point in time or over time.

For those revenues recognised at a point in time, there is a risk that revenue may be inappropriately recognised in the last month of the year, and that this might be material as contracts are significant in size.

In responding to the key audit matter, we performed the following audit procedures:

- Understood the design, and assessed the implementation effectiveness, of controls for the recording of revenue
- Assessed the revenue recognition policies for compliance with IFRS 15 and consistency with previous years.
- Inspected the revenue recorded in the year for adherence to the policy adopted and assessed the adequacy of the disclosures made.
- Obtained management's assessment of new significant contracts signed in the year, including information from management's accounting specialists where relevant, to assess the application of IFRS 15 to these contracts and the conclusions reached.
- Selected a sample of contracts identified in line with our risk assessment and:
 - Obtained management's assessment of the revenue recognition under the contract and assessed for compliance with IFRS;
 - Challenged management on their IFRS 15 application and corroborated key judgements to supporting documentation;
 - Obtained the signed contract and supporting information to support the occurrence of revenue including sales invoices, customer orders and delivery information; and
 - Assessed the clauses in the contract to understand any penalties which may have been incurred and require provision.
- Selected a sample of revenue recognised in the last month of the year and agreed to supporting documentation, assessed the point of revenue recognition under IFRS 15, and assessed whether it was recorded in the correct period.
- Assessed the disclosures in the financial statements for appropriateness in accordance with IFRS 15.

Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Key audit matters (continued)

Key Audit Matter - Group	How the matter was addressed in the audit - Group and parent company
Relevant disclosures in the Annual Report and Accounts 2025	Our results
<ul style="list-style-type: none"> Financial statements: Note 2, Accounting policies and Note 3, Revenue 	Based on the work we have undertaken we have not identified material misstatements in Defence and Security revenue recognition.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work..	
Materiality threshold	£2,005,000 (2024: £1,367,000), which represents 10% of forecast profit before tax at the planning stage of the audit. The range of component materialities used across the group was £486,000 to £648,000.	£689,000 (2024: £810,000) which represents 2.5% of the parent company's net assets at the planning stage of the audit.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> The selection of an appropriate benchmark; and The selection of an appropriate percentage to apply to that benchmark. Profit before tax is considered to be the most appropriate benchmark because it is the most relevant performance measure to the stakeholders of the Group as and is presented in the result highlights on page 2. Materiality for the current year is higher than materiality determined for the year ended 30 April 2024 due to improvement in the Group's performance.	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> The selection of an appropriate benchmark; and The selection of an appropriate percentage to apply to that benchmark. The parent company's net assets balance is considered the most appropriate benchmark because it is the most relevant measure of a company that is primarily a holding company. Materiality for the current year is lower than materiality determined for the year ended 30 April 2024 due to a reduction in the parent company's net asset base.

Independent auditor’s report to the members of MS INTERNATIONAL plc

Continued

Our application of materiality (continued)

Materiality measure	Group	Parent
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£1,504,000 (2024: £1,025,000), which is 75% (2024: 75%) of financial statement materiality. The range of component materialities used across the Group has been set at between £284,000 to £413,000 for components that are divisions of the parent company itself and £827,000 to £1,429,000 for the Defence and Security divisions, with each component materiality reflecting the contribution of that component to the Group.	£517,000 (2024: £608,000), which is 75% (2024: 75%) of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we considered the following significant factors: <ul style="list-style-type: none"> ● The strength of the control environment based on our assessment of the design and implementation effectiveness of relevant controls; and ● The nature, size and volume of misstatements identified in the previous audit. 	In determining performance materiality, we considered the following significant factors: <ul style="list-style-type: none"> ● The strength of the control environment based on our assessment of the design and implementation effectiveness of relevant controls; and ● The nature, size and volume of misstatements identified in the previous audit.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> ● Directors’ remuneration; and ● Identified related party transactions outside of the normal course of business. 	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> ● Directors’ remuneration; and ● Identified related party transactions outside of the normal course of business.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£100,300 (2024: £68,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds	£34,500 (2024: £41,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality – Group



• Profit before tax, £20,050,000
• FSM, £2,005,000, 10%

Overall materiality – Parent company



• Equity/net assets, £27,576,000
• FSM, £689,000, 2.5%

Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Our application of materiality (continued)



FSM: Financial statement materiality, PM: Performance materiality, RoM: Range of component performance materiality at tested components, TIC: Threshold for communication to the audit committee

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, their environments, and its system of internal control including common controls

- Obtaining and documenting an understanding of the group and its environment, including the relevant regulatory and financial reporting requirements.
- Evaluating the group's internal controls, including IT systems and IT controls.
- Obtaining an understanding and assessing the design and implementation of controls in place relating to the significant risks identified.
- Obtaining an understanding and assessing the design and implementation of the controls in place relating to new accounting system implemented for the UK entities, including the controls around the migration of data.

Identifying components at which to perform audit procedures

The following considerations were taken into account to determine the components on which to perform the specified audit procedures:

- components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope)
- components required to be in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

The engagement team performed full-scope audit procedures on the financial statements of the five significant components.

The engagement team performed specified audit procedures on two components which included material balances; and

Analytical procedures were performed on the financial information of all other components using Group materiality.

Performance of our audit

During our audit, all audit procedures to support the Group audit opinion were performed by the engagement team. Our audit procedures were performed by a combination of remote and in-person auditing, including attending the Group's company's primary locations in Doncaster and Norwich.

As part of planning procedures, an evaluation was completed over the Group's internal control environment including its IT systems and controls to inform our risk assessment. Our audit testing approach was wholly substantive;

Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Performance of our audit (continued)

The engagement team performed advanced testing of selected components within the Group based on pre-year end transaction listings.

The engagement team engaged tax specialists to support with our audit of tax, and the engagement team engaged actuarial and valuation experts to support our audit of pensions, foreign exchange forward contracts and property held at revalued amount.

Audit approach	No of components	% coverage revenue	% coverage profit before tax	% coverage of total assets
Full-scope audit	5 (2024: 3)	84 (2024: 70)	88 (2024: 76)	74 (2024: 69)
Specified audit procedures	2 (2024: 3)	– (2024: 9)	– (2024: 8)	17 (2024: 19)
Analytical procedures	7 (2024: 8)	26 (2024: 21)	12 (2024: 16)	9 (2024: 12)
Total	14 (2024: 14)	100 (2024:100)	100 (2024: 100)	100 (2024:100)

Changes in approach from previous periods

We performed a full scope audit on MSI-Defence Systems US LLC due to its increased contribution and associated risk to the Group financial statements. This component had previously been subject to audit of one or more transactions procedures;

We performed specific audit procedures on MS INTERNATIONAL Estates LLC due to the triennial revaluation of the land and buildings asset class at the year end.

We performed specific audit procedures on the Petrol Sign UK division for coverage of cash and cash equivalents across the Group.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or ap material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or

Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Matters on which we are required to report by exception (continued)

- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and Company, and the industry in which it operates which include UK export and firearms legislation. We determined that the laws and regulations most significant to the financial statements are UK-adopted international accounting standards (for the Group and the Company), the AIM Rules, the Companies Act 2006 and relevant tax regulations;
- We corroborated our understanding of the legal and regulatory framework applicable to the entity by discussing relevant frameworks with Group and component management, by seeking and obtaining correspondence with relevant parties, and by reviewing Board minutes;
- We assessed the susceptibility of the Group's and the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journal entries that were posted by senior finance personnel;
 - Material transactions crediting the consolidated statement of profit or loss in the final quarter;
 - Material post-close journal entries; and
 - Judgements and estimates made by management relating to significant accounting estimates.
- Audit procedures performed by the engagement team included:
 - evaluating the design and implementation effectiveness of the processes and controls established to address the risks related to irregularities and fraud;
 - journal entry testing, in particular those journals determined to be in respect of our principal risks documented above; and
 - challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently

Independent auditor's report to the members of MS INTERNATIONAL plc

Continued

Auditor's responsibilities for the audit of the financial statements (continued)

more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the Group and parent company operate; and
 - understanding of the legal and regulatory requirements specific to the Group and the parent company.
- We issued engagement team communications in respect of potential non-compliance with laws and regulations and fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Mark Overfield BSc FCA
Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 Leeds

27th June 2025

Consolidated income statement

For the year ended 30th April 2025

	Notes	2025 Total £'000	2024 Total £'000
Continuing operations			
Revenue	3/4	117,503	109,576
Cost of sales		(77,505)	(75,708)
Gross profit		39,998	33,868
Distribution costs		(4,727)	(4,092)
Administrative expenses		(16,476)	(16,232)
Derivative (losses)/gains	6	(73)	1,207
		(21,276)	(19,117)
Group operating profit	4/5	18,722	14,751
Interest received	8	1,354	1,244
Interest paid	8	(26)	(104)
Other finance costs - pensions	8	–	(179)
		1,328	961
Profit before taxation		20,050	15,712
Taxation	9	(5,519)	(4,212)
Profit for the year attributable to equity holders of the parent		14,531	11,500
Basic earnings per share	10	90.0p	71.0p
Diluted earnings per share	10	87.0p	67.5p

Consolidated statement of comprehensive income

For the year ended 30th April 2025

	Notes	2025 Total £'000	2024 Total £'000
Profit for the year attributable to equity holders of the parent		14,531	11,500
Exchange differences on retranslation of foreign operations		435	(287)
Net other comprehensive gain/(loss) to be reclassified to profit or loss in subsequent years		435	(287)
Remeasurement gains on defined benefit pension scheme	24	–	3,270
Deferred tax on remeasurement on defined benefit pension scheme	9	–	(817)
Revaluation of land and buildings	12	1,080	–
Deferred tax on revaluation surplus on land and buildings	9	52	–
Net other comprehensive income not being reclassified to profit or loss in subsequent years		1,132	2,453
Total comprehensive income for the year attributable to equity holders of the parent		16,098	13,666

Consolidated and company statement of changes in equity

For the year ended 30th April 2025

	Share redemption capital £'000	Capital reserve £'000	Other reserves £'000	Revaluation reserve £'000	Special reserve £'000	Currency translation reserve £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' funds £'000
(a) Group									
At 30th April 2023 (previously reported)	1,784	957	2,815	9,923	1,629	(320)	(2,381)	26,668	41,075
Prior year adjustment (note 33)	–	–	–	–	–	–	–	928	928
At 30th April 2023 (as restated)	1,784	957	2,815	9,923	1,629	(320)	(2,381)	27,596	42,003
Profit for the year	–	–	–	–	–	–	–	11,500	11,500
Other comprehensive (loss)/income	–	–	–	–	–	(287)	–	2,453	2,166
Total comprehensive (loss)/income	–	–	–	–	–	(287)	–	13,953	13,666
Equity settled share-based payment expense	–	–	–	–	–	–	–	65	65
Purchase of own shares (note 23)	–	–	–	–	–	–	(1,676)	–	(1,676)
Exercise of share options (note 23)	–	–	–	–	–	–	355	(40)	315
Deferred tax on equity settled share-based payment expense	–	–	–	–	–	–	–	(38)	(38)
Deferred tax on share option relief (restated - note 33)	–	–	–	–	–	–	–	735	735
Dividends paid (note 11)	–	–	–	–	–	–	–	(2,610)	(2,610)
Transactions with owners recognised directly in equity	–	–	–	–	–	–	(1,321)	(1,888)	(3,209)
At 30th April 2024 (as restated)	1,784	957	2,815	9,923	1,629	(607)	(3,702)	39,661	52,460
Profit for the year	–	–	–	–	–	–	–	14,531	14,531
Other comprehensive (loss)/income	–	–	–	(1,677)	–	435	–	2,809	1,567
Total comprehensive (loss)/income	–	–	–	(1,677)	–	435	–	17,340	16,098
Equity settled share-based payment expense	–	–	–	–	–	–	–	78	78
Deferred tax on share option relief	–	–	–	–	–	–	–	192	192
Purchase of own shares (note 23)	–	–	–	–	–	–	(4,483)	–	(4,483)
Exercise of share options (note 23)	–	–	–	–	–	–	798	(447)	351
Dividends paid (note 11)	–	–	–	–	–	–	–	(3,507)	(3,507)
Transactions with owners recognised directly in equity	–	–	–	–	–	–	(3,685)	(3,684)	(7,369)
At 30th April 2025	1,784	957	2,815	8,246	1,629	(172)	(7,387)	53,317	61,189

Consolidated and company statement of changes in equity

Continued

For the year ended 30th April 2025

	Share redemption capital £'000	Capital reserve £'000	Other reserves £'000	Revaluation reserve £'000	Special reserve £'000	Currency translation reserve £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' funds £'000
(b) Company									
At 30th April 2023 (previously reported)	1,784	957	7,620	–	1,629	–	(2,381)	18,321	27,930
Prior year adjustment (note 33)	–	–	–	–	–	–	–	928	928
At 30th April 2023 (as restated)	1,784	957	7,620	–	1,629	–	(2,381)	19,249	28,858
Profit for the year	–	–	–	–	–	–	–	2,753	2,753
Other comprehensive income	–	–	–	–	–	–	–	2,215	2,215
Total comprehensive income	–	–	–	–	–	–	–	4,968	4,968
Equity settled share-based payment expense	–	–	–	–	–	–	–	65	65
Purchase of own shares (note 23)	–	–	–	–	–	–	(1,676)	–	(1,676)
Exercise of share options (note 23)	–	–	–	–	–	–	355	(40)	315
Deferred tax on share option relief (restated - note 33)	–	–	–	–	–	–	–	735	735
Dividends paid (note 11)	–	–	–	–	–	–	–	(2,610)	(2,610)
Transactions with owners recognised directly in equity	–	–	–	–	–	–	(1,321)	(1,850)	(3,171)
At 30th April 2024 (as restated)	1,784	957	7,620	–	1,629	–	(3,702)	22,367	30,655
Profit for the year	–	–	–	–	–	–	–	4,293	4,293
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	–	–	4,293	4,293
Equity settled share-based payment expense	–	–	–	–	–	–	–	78	78
Deferred tax on share option relief	–	–	–	–	–	–	–	192	192
Purchase of own shares (note 23)	–	–	–	–	–	–	(4,483)	–	(4,483)
Exercise of share options (note 23)	–	–	–	–	–	–	798	(447)	351
Dividends paid (note 11)	–	–	–	–	–	–	–	(3,507)	(3,507)
Transactions with owners recognised directly in equity	–	–	–	–	–	–	(3,685)	(3,684)	(7,369)
At 30th April 2025	1,784	957	7,620	–	1,629	–	(7,387)	22,976	27,579

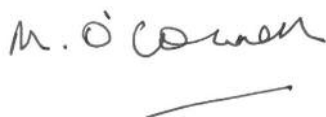
Consolidated and company statements of financial position

At 30th April 2025

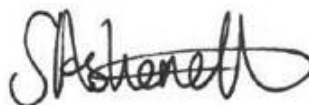
	Notes	Group		Company	
		2025	2024 Restated (note 33)	2025	2024 Restated (note 33)
		£'000	£'000	£'000	£'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	30,257	27,953	1,571	1,389
Right-of-use assets	13	385	760	5,421	6,099
Intangible assets	14	2,367	2,448	–	–
Investments in subsidiaries	15	–	–	16,449	15,669
Deferred income tax asset	17	7	16	584	923
Derivative assets	6	–	309	–	309
Contract assets	27	428	–	–	–
		33,444	31,486	24,025	24,389
Current assets					
Inventories	18	30,733	25,250	3,109	1,823
Derivative asset	6	1,134	898	1,134	898
Trade and other receivables	19	33,669	28,881	12,847	12,106
Contract assets	27	7,376	100	–	–
Cash and cash equivalents	20	23,745	35,509	9,087	9,936
Restricted cash held in Escrow	20	4,038	7,170	–	–
		100,695	97,808	26,177	24,763
TOTAL ASSETS		134,139	129,294	50,202	49,152
EQUITY AND LIABILITIES					
Equity					
Share capital	22	1,784	1,784	1,784	1,784
Capital redemption reserve	23	957	957	957	957
Other reserves	23	2,815	2,815	7,620	7,620
Revaluation reserve	23	8,246	9,923	–	–
Special reserve	23	1,629	1,629	1,629	1,629
Currency translation reserve	23	(172)	(607)	–	–
Treasury shares	23	(7,387)	(3,702)	(7,387)	(3,702)
Retained earnings		53,317	39,661	22,976	22,367
TOTAL EQUITY SHAREHOLDERS' FUNDS		61,189	52,460	27,579	30,655
Non-current liabilities					
Contract liabilities	27	7,208	10,019	–	–
Deferred income tax liability	17	2,242	2,046	–	–
Lease liabilities	13	61	422	5,123	5,771
Trade and other payables	25	623	–	–	–
		10,134	12,487	5,123	5,771
Current liabilities					
Trade and other payables	25	16,793	21,349	13,759	10,312
Contract liabilities	27	45,670	42,616	3,092	1,784
Lease liabilities	13	353	382	649	630
		62,816	64,347	17,500	12,726
TOTAL EQUITY AND LIABILITIES		134,139	129,294	50,202	49,152

No profit and loss account is presented for the Company, as permitted by section 408 of the Companies Act 2006. The Company's profit for the financial year amounted to £4,293,000 (2024 – £2,753,000).

The financial statements of MS INTERNATIONAL plc, registered number 00653735, on pages 24 to 72 were approved by the Board of Directors on 27th June 2025 and signed on its behalf by:



Michael O'Connell
Managing Director



Shelley Ashcroft
Finance Director

Consolidated and company cash flow statements

For the year ended 30th April 2025

	Note	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Profit/(loss) before taxation		20,050	15,712	(537)	266
<i>Adjustments to reconcile profit/(loss) before taxation to cash generated from operating activities:</i>					
Depreciation charge of owned assets and right-of-use assets	12/13	2,514	2,144	1,382	1,273
Amortisation charge	14	89	61	-	-
Profit on disposal of property, plant and equipment		(194)	(214)	(190)	(93)
Equity settled share-based payment expense		78	65	78	65
Profit on disposal of joint venture	16	-	(9)	-	-
Finance income	8	(1,328)	(961)	(212)	(47)
Foreign exchange movements		(117)	-	-	-
(Increase)/decrease in inventories		(5,862)	(608)	(1,286)	942
(Increase)/decrease in receivables		(13,105)	(19,259)	1,929	2,814
Decrease/(increase) in derivatives	6	73	(1,207)	73	(1,207)
(Decrease)/increase in payables		(3,332)	6,637	3,666	547
Increase in contract liabilities		2,055	37,985	1,308	928
Pension fund deficit reduction payments	24	-	(1,125)	-	(1,125)
Cash generated from operating activities		921	39,221	6,211	4,363
Net interest received		1,350	1,177	399	449
Taxation (paid)/received		(5,520)	(3,796)	193	(597)
Net cash (outflow)/inflow from operating activities		(3,249)	36,602	6,803	4,215
Investing activities					
Dividends received from subsidiaries		-	-	1,500	3,224
Purchase of property, plant and equipment	12	(3,733)	(4,898)	(932)	(832)
Purchase of intangible assets	14	(18)	(142)	-	-
Proceeds on disposal of property, plant and equipment		281	314	236	101
Decrease/(increase) in cash held in the Escrow account maturing in more than 90 days	20/21	3,132	(4,253)	-	-
Net cash (outflow)/inflow from investing activities		(338)	(8,979)	804	2,493
Financing activities					
Buy back of own shares	23	(4,483)	(1,676)	(4,483)	(1,676)
Money received from the exercise of share options	23	351	315	351	315
Lease payments		(393)	(409)	(817)	(817)
Dividends paid	11	(3,507)	(2,610)	(3,507)	(2,610)
Net cash outflow from financing activities		(8,032)	(4,380)	(8,456)	(4,788)
(Decrease)/increase in cash and cash equivalents		(11,619)	23,243	(849)	1,920
Opening cash and cash equivalents		35,509	12,336	9,936	8,016
Exchange differences on cash and cash equivalents		(145)	(70)	-	-
Closing cash and cash equivalents	20	23,745	35,509	9,087	9,936

Notes to the financial statements

For the period ended 30th April 2025

1 Authorisation of financial statements and statement of compliance with UK adopted International Accounting Standards

MS INTERNATIONAL plc (the 'Company') is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the Alternative Investment Market (AIM) market of the London Stock Exchange.

The financial statements of the Company and its subsidiaries (together referred to as the 'Group') for the year ended 30th April 2025 were authorised for issue by the Board of Directors on 27th June 2025 and the statements of financial position were signed on the Board's behalf by Michael O'Connell and Shelley Ashcroft.

The Group's and Company's financial statements for the year ended 30th April 2025 have been prepared in accordance with UK adopted International Accounting Standards.

2 Accounting policies

Basis of preparation

The consolidated financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

The principal accounting policies have been applied consistently to all years presented in these Group financial statements, unless otherwise stated. The consolidated financial statements have been prepared on a going concern basis.

Going concern

The financial statements have been prepared on a going concern basis. The Group's business activities, together with factors likely to affect its future development, performance, and position are set out in the Chairman's statement and Strategic report on pages 3 to 5 and 8 to 13.

At 30th April 2025, the Group held cash and cash equivalents of £23.75m with a further £4.04m of restricted cash held in an Escrow account maturing in greater than 90 days. The Group also has a number of large long-term contracts and a good orderbook. As such, the directors are satisfied that the Group has sufficient liquidity to meet both its current liabilities and future working capital requirements.

The performance of the Group is dependent on a number of external factors and the wider economic and political environment. The changing political landscape, the cost and supply of raw materials and the introduction of tariffs are among the biggest challenges and uncertainties facing the Group. However, management remain vigilant and are regularly monitoring the impact of these external factors in order to mitigate any impact upon the business.

The Board has a reasonable expectation that the Company and its Group has adequate resources for a period of 12 months from the date of approval of the financial statements. Forecasts have been prepared up to 31st October 2026, which the directors believe reflect a reasonable expectation, based on the information available at the date of signing these financial statements. There are no events or conditions identified that would lead to a longer period of assessment, and therefore management have assessed that the going concern basis of accounting is appropriate in preparing the financial statements and that there are no material uncertainties to disclose.

In addition, management have carried out reverse stress tests to 31st October 2026 under various scenarios, all of which are considered severe but implausible by management. In all tested scenarios, the Group would continue as a going concern throughout the assessment period.

As a result, in making the going concern assessment the directors consider there to be no material uncertainties that could cast significant doubt on the Group's ability to continue to operate as a going concern. They believe that the Group has sufficient financial resources with an orderbook that allows the Group to continue operating for the foreseeable future, being at least to 31st October 2026. As a result, the directors continue to adopt the going concern basis of accounting in preparation of these financial statements.

Critical accounting estimates and assumptions

In preparation of the financial statements, the Group's management are required to make estimates, judgements and assumptions that affect the reported amounts of amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and any other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions are recognised in the period in which they are revised.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Critical accounting estimates and assumptions (continued)

The following estimates and judgements have a risk of causing material adjustments to the amounts recognised in these financial statements:

Judgements (a) Contract revenue

Judgement is required in determining the recognition of revenue either at a point in time or over time. Where contracts contain multiple performance obligations, revenue is measured over time only if the group's performance does not create an asset with an alternative use to the Group or if the customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs. The majority of contracts within the Group do not meet this criteria and therefore revenue recognition is judged to be at a point in time (note 3). This assessment is detailed further in the accounting policy for revenue.

Judgement is also required in identifying the performance obligations of a contract, applying the principle of control, and allocating transaction prices to performance obligations.

(b) Capitalisation of development costs

Development costs are expensed to the consolidated income statement as incurred where they do not meet the criteria for capitalisation. Judgement is required in determining if and when costs directly attributable to a project's development phase should be capitalised, particularly when assessing the point at which an asset will generate probable future economic benefits (see note 5).

Estimates (a) Impairment of non-financial assets

The Group's impairment test for intangible assets with indefinite useful lives and goodwill is based on assessment and estimation of the recoverable value of the Cash-Generating Units (CGUs) being the higher of the fair value less costs to sell and a value-in-use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model. This process involves estimation of future cash flows arising from the CGUs and also a selection of the appropriate discount rate to allow calculation of the net present value of those cash flows. The selection of an appropriate discount rate is an area of judgement while the forecast of cash flows includes accounting estimates. More information on the assumptions and sensitivities applied are set out in notes 14 and 15 to these financial statements.

(b) Valuation of land and buildings

Land and buildings are held at fair value less depreciation and impairment. Fair value is an area of judgement as it is based on periodic valuations by external independent valuers, which are determined from market-based evidence (see note 12).

Basis of consolidation

The Group financial statements incorporate the results of MS INTERNATIONAL plc and the results of its subsidiary undertakings. Subsidiaries are those entities over which the Company has control. The Company holds, directly or indirectly, 100% of the share capital and 100% of the voting rights of all subsidiaries. All subsidiaries have a reporting date of 30th April.

All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the effective date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Exemption from audit

For the year ended 30th April 2025, MS INTERNATIONAL plc has provided a parental guarantee for MS INTERNATIONAL Estates Ltd (company number 11218853). MS INTERNATIONAL Estates Ltd is entitled to exemption from audit under section 479A if the Company's Act 2006 relating to subsidiary companies.

The Company's investments in subsidiaries

In its separate financial statements the Company's investments in subsidiaries are carried at cost less provision for impairment.

Investment in joint venture

Joint ventures are entities over which the Group has joint control. Investments in joint ventures are accounted for using the equity method. Under the equity method of accounting, interest in joint ventures is initially recognised at cost, and the carrying amount is subsequently increased or decreased to recognise the Group's share of the profit or loss of the joint venture after the date of acquisition.

Foreign currency translation

The consolidated financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the Group's overseas subsidiaries are the US Dollar, the Euro, the Polish Zloty, the Brazilian Real and the Argentinean Peso. The assets and liabilities of the overseas subsidiaries are translated into the presentational currency of the Group at the rate of exchange ruling at the statement of financial position date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Land and buildings are recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of the revaluation. Fair value is based on periodic valuations by an external independent valuer and is determined from market-based evidence by appraisal. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the revaluation reserve in equity except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in profit or loss, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the statement of financial position date, of each asset evenly over its expected useful life as follows:

Property other than freehold land – over 50 years

Plant and equipment – over 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements are accounted for separately from the business combination in accordance with their nature and applicable IFRSs. Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition-date fair value can be measured reliably.

If the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The amortisation period and the amortisation method are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The useful economic lives of each intangible asset with finite lives are as follows:

- Tradename – over 10 to 20 years
- Design database – over 10 years
- Non-compete agreement – over 3 years
- Customer relationships – over 8 to 10 years
- Order backlog – over 1 year
- Development costs – over 5 years
- Software costs – over 3 to 5 years

Goodwill arising on acquisition of subsidiaries is the only intangible asset with an indefinite useful life.

For impairment assessment purposes, intangible assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and others are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Impairment losses are recognised at the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Leased assets

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. New leases are then recognised in the Consolidated statement of financial position as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Lease liabilities are measured at the present value of the lease payments unpaid at the recognition date, discounted using the interest rate implicit in the lease, or, if that rate cannot be determined, the Group's incremental borrowing rate. Lease payments include fixed payments, variable lease payments that are based on an index or rate, less any lease incentives receivable. Following initial measurement, the liability will be reduced for payments made and increased for interest. Interest will be charged to profit or loss as an interest expense.

The liability will be remeasured to reflect any reassessment of or modification to the lease contract when applicable. When the lease liability is remeasured, the corresponding adjustment is also reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Right-of-use assets are measured at cost, which comprises the following:

- the amount of the initial measurement of lease liability,
- any lease payments (net of any incentives received) made in advance of the lease commencement date,
- any initial direct costs incurred,
- an estimate of any costs to dismantle or remove the asset at the end of the lease.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Leased assets (continued)

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the useful economic life or the end of the lease term.

Payments associated with short-term leases, defined as a lease with a term of 12 months or less, and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value including remeasurement at the reporting date. The Group has decided not to apply hedge accounting with respect to forward exchange contracts and as a result changes in the fair values are recognised immediately within the Consolidated income statement within the Derivative gains or losses line.

Research and development

Costs relating to research are charged to the income statement as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably.
- the project is technically and commercially feasible.
- the Group intends to and has sufficient resources to complete the project.
- the Group has the ability to use or sell the asset.
- the asset will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials — purchase cost on a first-in, first-out basis.
- Finished goods and work in progress — cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Contract costs relating to non-prototype research and development expenditure are capitalised within work in progress when the costs are expected to be recovered.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts based on expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the receivable. The Group uses its historical experience, external indicators and forward looking information to make this assessment. Trade receivables are classified as financial assets measured as amortised cost.

Treasury shares

Own shares held by the Company and Group are classified in equity and are recognised at cost. No gain or loss is recognised on the purchase, sale, issue, or cancellation of the Group's own equity instruments.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, cash on short-term deposit, and cash in hand.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding overdrafts which are repayable on demand.

Restricted cash held in Escrow

Cash held in Escrow provides security to both Lloyds Bank plc and Barclays Bank plc in respect of any guarantees, indemnities, and performance bonds given by the Group in the ordinary course of business. In the statement of financial position amounts not maturing within 90 days of the deposit date are separately disclosed in restricted cash held in Escrow.

Trade and other payables

Trade and other payables are initially regarded at their fair value and thereafter at amortised cost using the effective interest rate method. Trade payables are classified as financial liabilities at amortised cost.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised in the Consolidated income statement when it becomes probable that the Group will be required to settle that obligation. Warranty related provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Pension schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in the income statement immediately. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. Remeasurement gains and losses are recognised in full in the Consolidated income statement and expensed in the period in which they occur. Actual gains/losses less amount included in net interest costs are included in other comprehensive income.

The defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions.

The value of a net pension liability is restricted to the sum of the present value of contracted deficit reduction contributions. Where the present value of contracted deficit reduction contributions exceeds the net pension liability, the surplus is recognised as a further liability within the financial statements in accordance with IFRIC 14.

Contributions to defined contribution schemes are recognised in the income statement in the year in which they become payable.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Equity settled share-based payments

The Group operates equity-settled share-based remuneration plans for certain employees. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date of the instruments using either the Black-Scholes model or the Monte Carlo model depending on the terms and conditions of the grant. Where options incorporate market performance conditions, for example, the LTIP (Long Term Incentive Plan) and certain CSOP (Company Share Option Plan), the Monte Carlo model is used. Where there are no non-market vesting conditions the Black-Scholes model is used, for example, certain CSOP schemes.

The cost of equity settled share-based payments is charged to the income statement over the vesting period on a straight line basis, with the corresponding credit applied to equity.

Cash settled share-based payments

Cash settled share-based payments result in the recognition of a liability, which is an obligation to make a payment in cash, based on the price of the underlying equity instrument. As the cash settled share-based payments awarded carry no market based vesting criteria or non-vesting criteria, the value of the awards at each respective valuation date equals the share price prevailing at that date, adjusted for any dividend leakage (on a compounded basis) over their expected life. The fair value of recognised liability is remeasured at each reporting date and the full amount is remeasured from vesting date to settlement date. Remeasurements are recognised immediately to the extent that they relate to past services and recognition is spread over the remaining vesting period to the extent they relate to future services.

The cost of cash settled share-based payments is charged to the income statement with the corresponding credit applied to liabilities.

Revenue

Revenue is attributable to the principal activities of the four divisions within the Group:

- The design and manufacture of defence and security equipment ('Defence and Security').
- The manufacture of fork-arms and open die forgings ('Forgings').
- The design, manufacture, construction, and maintenance of petrol station superstructures ('Petrol Station Superstructures').
- The design, manufacture, installation, and service of corporate branding, including media facades, way-finding signage, public illumination, creative lighting solutions, and the complete appearance of petrol station superstructures and forecourts ('Corporate Branding').

To determine whether to recognise revenue, the Group follows the five steps required when applying IFRS 15:

1. Identify the contract with the customer.
2. Identify the separate performance obligations specified within each contract.
3. Determine the transaction price specified within each contract.
4. Allocate the transaction price to the performance obligation identified.
5. Recognise revenue once the performance obligation have been satisfied.

This process includes the assessment of performance obligations within the contract and the allocation of contract revenue across these performance obligations once identified. Revenue is recognised either at a point in time or over time depending on when the performance obligations are satisfied.

The Group recognises contract liabilities for payments received in respect of unsatisfied performance obligations and reports these within current and non-current liabilities in the Statement of financial position. Contract assets, both current and non-current, are recognised when the value of the revenue recognised within the income statement exceeds the amount received as contractual milestone payments.

Revenue within each of the divisions is recognised as follows:

Notes to the financial statements

Continued

2 Accounting policies (continued)

Revenue (continued)

'Defence and Security'

The 'Defence and Security' division enters into contracts with its customers to provide defence and security equipment and related services such as onsite commissioning, firing trials and training. Contracts contain multiple performance obligations that are either recognised at a point in time or over time.

Upon signing a contract, the contract is assessed to identify each performance obligation and whether it satisfies the criteria for over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously creates or enhances the benefits provided by the Group's performance obligations as it performs;
- the Groups performance creates or enhances an asset that a customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The determination of revenue over time is contract specific and will depend on the terms and conditions of the individual contract. Performance obligations relating to commissioning, training, firing trial services, and in-service support are satisfied over time as the customer simultaneously receives and consumes the benefits provided by MSI's performance.

Revenue recognised over time for commissioning, training and firing trial services is recognised utilising the output method based on time elapsed over the period of performance. Revenue recognised over time in relation to in-service support contracts are recognised utilising the input method based on costs incurred.

Performance obligations are satisfied at a point in time if none of the above criteria for recognising revenue over time are met. Revenue is recognised as performance obligations are satisfied, which is when control of goods and services has transferred to the customer. The transfer of goods and services to the customer is contract specific depending on the terms and conditions within the individual contract. This could be upon factory acceptance test, site acceptance test, customer acceptance, shipment of goods (whether on first carrier or arrival at port), or delivery to the customer's site, among others. Management judgement is required when applying the principle of control within each contract. Indicators for the transfer of control are assessed both individually and collectively to determine the point at which control transfers. Specifically, management considers the transfer of title of the equipment, transfer of physical possession, transfer of significant risks and rewards of ownership to the customer, and customer's acceptance of equipment, when making an assessment.

Transaction prices are allocated to performance obligations based on their relative stand-alone selling prices i.e. the amount allocated is equivalent to the amount that would be allocated if the goods and services were sold separately.

The division provides warranties to its customers to give them assurance that its products and services will function in line with specifications determined within the contract. Warranties within these contracts represent an assurance type warranty and therefore are not accounted for as a separate performance obligation.

Occasionally revenue is recognised in accordance with a bill-and-hold arrangement when requested by the customer. Under these instances revenue is recognised before delivery of the goods when the following criteria are met:

- the buyer requests a bill-and-hold arrangement
- the goods must be ready for physical transfer to the customer and must be separately identified as belonging to the customer
- the goods cannot be used or directed to another customer.

As part of the contracts entered into, customers may make payments to the division in advance of the goods being delivered and/or being recognised within the income statement. The terms of these payments are defined within each contract. These are classified as contract liabilities, which are only recognised as revenue once the performance obligation has been satisfied. Where the contract is denominated in foreign currency, contract liabilities are translated at the rate prevailing on the date of receipt of the payment and are recognised in revenue on a first in first out rate when the related performance obligations are satisfied.

'Forgings'

Revenue from the sale of fork-arms and open die forgings is recognised at a point in time upon delivery of the products, either when or as the 'Forgings' division transfers control of the products to the customer. Customers are invoiced once control of the product has transferred to the customer.

Notes to the financial statements

Continued

2 Accounting policies (continued)

Revenue (continued)

'Petrol Station Superstructures'

The 'Petrol Station Superstructures' division enters into contracts with its customers to provide petrol station superstructures.

The division assesses each contract to determine whether revenue should be recognised at a point in time when the product is delivered to the customer, or recognised over time when the contracts stipulate that the division is entitled to reward for performance to date. In order to establish the entitlement for performance to date, the division considers if it has an enforceable right to payment for performance completed to date and the division's performance to date does not create an asset with an alternative use to the Group. The majority of contracts have revenue which is measured at a point in time.

As part of the contracts entered into, customers may make payments to the division in advance of the delivery of the product. These are classified as contract liabilities, which are only recognised as revenue once the performance obligation has been satisfied.

'Corporate Branding'

The 'Corporate Branding' division enters into contracts with its customers to perform the re-imaging of corporate branding and signage for various industries. Additional engagements include the repair and maintenance of images on petrol station forecourts.

Control of the goods does not pass to the customer until either the goods are delivered to site for material only projects, or upon completion of the installation for materials and installation projects. Accordingly, revenue is recognised at the point in time when this occurs.

As part of some of the contracts entered into, customers may make payments to the division in advance of the goods being delivered. These are classified as contract liabilities and are only recognised as revenue once the performance obligation has been satisfied.

Taxes

Income tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise income tax is recognised in the income statement.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised;

Notes to the financial statements

Continued

2 Accounting policies (continued)

Deferred income tax (continued)

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date. Increases/decreases in deferred income tax assets and liabilities arising from changes to tax rates enacted or substantively enacted at the statement of financial position date are recognised immediately in the Consolidated income statement or the Consolidated statement of comprehensive income.

Dividends payable

Dividends are recognised when they become legally payable. In the case of interim dividends this is when paid. In the case of final dividends this is when approved by the shareholders at the AGM.

Earnings per share

Basic earnings per share is calculated by dividing:

- the profit for the year attributable to the equity holders of the parent
- by the weighted average number of ordinary shares in issue, excluding the weighted average number of shares held in the ESOT and the weighted average number of treasury shares.

Diluted earnings per share is calculated by dividing:

- the profit for the year attributable to the equity holders of the parent, less the share option expense
- by the weighted average number of ordinary shares in issue adjusted for the dilutive potential ordinary shares, excluding the weighted average number of shares held in the ESOT and the weighted average number of treasury shares.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, there are no new, but not yet effective, standards, amendments to existing standards, or interpretations that have been published by the IASB that will have a material impact on these financial statements.

3 Revenue

The Group's revenue disaggregated by pattern of revenue recognition and category is as follows:

	2025	2024
	£'000	£'000
Revenue recognised at a point in time	112,955	104,638
Revenue recognised over time	4,548	4,938
Total revenue	117,503	109,576

During the year the Group recognised £29,569,000 (2024 – £9,667,000) of revenue that was included in the contract liability balance at 30th April 2024 (note 27).

Notes to the financial statements

Continued

4 Segment information

For management and reporting purposes, the Group operated through four trading divisions during the years ended 30th April 2025 and 30th April 2024. This includes 'Defence and Security', 'Forgings', 'Petrol Station Superstructures', and 'Corporate Brandings' divisions. These divisions are the basis on which the Group reports its primary business segment information. The Board, which includes the chief operating decision maker, considers each trading division as a separate operating segment and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Therefore, Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are therefore not allocated to operating segments.

The principal activities of the trading divisions are described in the Strategic report.

	'Defence and Security'		'Forgings'		'Petrol Station Superstructures'		'Corporate Branding'		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Segmental revenue										
Total revenue	82,449	67,228	13,770	17,627	13,236	16,355	8,600	8,957	118,055	110,167
Revenue from other segments	–	–	–	–	(247)	(309)	(305)	(282)	(552)	(591)
Revenue from external customers	82,449	67,228	13,770	17,627	12,989	16,046	8,295	8,675	117,503	109,576
Revenue recognised at a point in time	77,901	62,290	13,770	17,627	12,989	16,046	8,295	8,675	112,955	104,638
Revenue recognised over time	4,548	4,938	–	–	–	–	–	–	4,548	4,938
Revenue from external customers	82,449	67,228	13,770	17,627	12,989	16,046	8,295	8,675	117,503	109,576
Segment result										
Operating profit/(loss)	17,740	13,009	573	1,137	974	2,011	(565)	(1,406)	18,722	14,751
Segmental assets										
Assets attributable to segments	82,770	78,990	6,603	7,776	13,569	12,874	4,105	4,627	107,047	104,267
Unallocated assets*									27,092	25,027
Total assets									134,139	129,294
Segmental liabilities										
Liabilities attributable to segments	58,101	63,320	1,435	2,255	5,526	4,711	2,450	2,455	67,512	72,741
Unallocated liabilities*									5,438	4,093
Total liabilities									72,950	76,834
Other segmental information										
Capital expenditure	2,898	3,513	378	569	350	545	107	271	3,733	4,898
Depreciation	1,000	499	594	637	701	740	219	268	2,514	2,144
Amortisation	46	18	–	–	43	43	–	–	89	61

* Unallocated assets include certain fixed assets (including all UK properties), current assets and deferred income tax assets. Unallocated liabilities include the defined pension benefit scheme liability, the deferred income tax liability, and certain current liabilities.

Assets and liabilities attributable to segments comprise the assets and liabilities of each segment adjusted to reflect the elimination of the cost of investment in subsidiaries and the provision of financing loans provided by MS INTERNATIONAL plc.

Revenue between segments is determined on an arm's length basis. Segment results, assets, and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Notes to the financial statements

Continued

4 Segment information (continued)

Geographical analysis

The following table presents revenue, assets, liabilities and capital expenditure by geographical segment for the years ended 30th April 2025 and 30th April 2024. The Group's geographical segments are based on the location of the Group's divisions.

	United Kingdom		Europe		USA		South America		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
External revenue by origin	80,124	79,893	6,563	8,101	28,829	19,450	1,987	2,132	117,503	109,576
Non-current assets	25,509	23,029	2,775	2,899	5,121	5,476	39	82	33,444	31,486
Current assets	78,828	82,837	2,938	3,559	17,986	10,631	943	781	100,695	97,808
Liabilities	41,773	41,553	2,410	2,739	28,649	32,254	118	288	72,950	76,834
Capital expenditure	3,581	4,817	54	56	95	25	4	–	3,734	4,898

The following table shows external revenue disaggregated by location of the Group's customer.

	2025		2024	
	£'000	%	£'000	%
United Kingdom	21,899	19%	48,974	45%
Asia	46,756	40%	24,350	22%
USA	28,829	25%	19,450	18%
Europe	17,072	14%	13,708	12%
South America	2,876	2%	3,086	3%
Rest of World	71	0%	8	0%
Total revenue	117,503	100%	109,576	100%

The Group's largest customer, which is reported in the 'Defence and Security' division, contributed 37.1% to the Group's revenue (2024 - 27.4% from a different customer). The Group's second largest customer, also reported in the 'Defence and Security' division, was the only other customer that contributed more than 10% to the Group's revenue with a total of 13.6% (2024 - 21.6% from a different customer).

5 Group operating profit

	Notes	2025 £'000	2024 £'000
Profit before taxation is stated after charging/(crediting):			
Depreciation of tangible assets – owned assets	12	2,157	1,773
Depreciation of right-of-use assets	13	357	371
Amortisation of intangible assets	14	89	61
Profit on disposal of property, plant and equipment		(194)	(215)
Profit on disposal of joint venture	16	–	(9)
Short-term and low value leases	13	182	112
Foreign exchange gains		(1,472)	(166)
Exchange losses/(gains) relating to derivative assets	6	73	(1,207)
Cost of inventories recognised as an expense		72,590	64,594
Research and development costs		2,443	1,174
Defined benefit pension expense	24	278	359
Equity settled share-based payment expense	32	78	65
Cash settled share-based payment provision	32	330	134
Fees payable to the Group's auditor and associates:			
For the audit of the Group's financial statements		152	125
For the audit of the Group's subsidiary companies' financial statements		152	105
For audit related services		31	29

Total administrative expenses are included within Group operating profit.

Notes to the financial statements

Continued

6 Derivative financial instruments

The Group has in place a number of forward currency contracts in respect of USD denominated cash inflows in the 'Defence and Security' division.

The Group and Company has chosen not to adopt hedge accounting with respect to forward exchange contracts and as a result a loss of £73,000 (2024 – £1,207,000 gain) arising from the change in the fair value of the contracts has been included within operating profit.

Group and Company	US Dollar	Sterling	Average	Fair value
2025	\$'000	£'000	forward rate	£'000
Non-current derivative asset	–	–	–	–
Current derivative asset	28,400	22,412	1.2672	1,134
Total	28,400	22,412	1.2672	1,134

2024	US Dollar	Sterling	Average	Fair value
	\$'000	£'000	forward rate	£'000
Non-current derivative asset	20,000	16,134	1.2396	309
Current derivative asset	54,000	43,968	1.2282	898
Total	74,000	60,102	1.2312	1,207

In the tables above the US Dollar represents the total amount payable under the forward exchange contracts and the Sterling represents the total amount receivable under the forward exchange contracts.

7 Employee Information

The average number of employees, including executive directors, during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Production	253	261	73	74
Technical	81	77	21	21
Distribution	28	28	2	2
Administration	92	89	40	37
	454	455	136	134

(a) Staff costs

Including executive directors, employment costs were as follows:

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Wages and salaries	25,633	23,757	9,328	8,782
Social security costs	3,562	3,718	896	1,058
Pension costs	834	830	398	469
Redundancy costs	15	160	–	–
Equity settled share-based payment expense	78	65	78	65
Cash settled share-based payment provision	330	134	330	134
	30,452	28,664	11,030	10,508

(b) Directors' emoluments

	2025	2024
	£'000	£'000
Short-term employee benefits (note 31)	3,735	3,517
Pension contributions	133	115
Gain on exercise of share options (note 32)	1,385	1,043
	5,253	4,675

Notes to the financial statements

Continued

7 Employee Information (continued)

During the year two executive directors exercised LTIP share options totalling 100,000 (2024 – 100,000) at an exercise price of £0 (2024 – £0) per share. The gain on these options is the difference between the market price at the date of exercise, which ranged from £9.75 per share to £11.50 per share (2024 – £7.20 to £7.30 per share), and the exercise price of £0 (2024 – £0) per share.

Between June 2024 and October 2024 three directors exercised CSOP share options totalling 38,334 (2024 – 63,335) at an exercise price of £1.41 per share. The gain on these options is the difference between the market price at the date of exercise, which ranged from £9.75 per share to £11.50 per share (2024 – £5.88 to £7.15 per share), and the exercise price of £1.41 (2024 – £1.41) per share.

Directors' emoluments are considered further within the Directors' remuneration report presented on pages 85 to 87.

8 Finance income and expense

	2025	2024
	£'000	£'000
Bank interest income	1,354	1,244
Finance income	1,354	1,244
Bank overdraft interest	(2)	(60)
Interest on leases (note 13)	(22)	(37)
Other interest	(2)	(7)
Interest paid	(26)	(104)
Pension scheme interest (note 24)	–	(179)
Finance expense	(26)	(283)
Net finance income	1,328	961

9 Taxation

(a) Tax expense

The charge for taxation comprises:

	2025	2024
	£'000	£'000
Current tax		
United Kingdom corporation tax	5,495	3,187
Foreign corporation tax	275	188
Adjustments in respect of previous years	(155)	(152)
Group current tax expense	5,615	3,223
Deferred tax (note 17)		
Origination and reversal of temporary differences	(41)	857
Adjustments in respect of previous years	(55)	132
Group deferred tax (credit)/expense	(96)	989
Total tax expense on profit	5,519	4,212

Tax relating to items charged to other comprehensive income:

	2025	2024
	£'000	£'000
Deferred tax on measurement gains on pension scheme current year	–	817
Deferred tax on revaluation surplus on land and buildings	(52)	–
Deferred tax (credit)/expense in the Consolidated statement of comprehensive income	(52)	817

Notes to the financial statements

Continued

9 Taxation (continued)

(a) Tax expense (continued)

Tax relating to items charged directly to equity:

	2025	2024
	£'000	£'000
Current tax on share option relief	–	(577)
Deferred tax on share option relief	(192)	(1,086)
Total tax credit charged directly to equity	(192)	(1,086)

(b) Factors affecting the tax charge for the year

The tax charge assessed for the year is higher than (2024 – higher than) the standard rate of corporation in the UK of 25% (2024 – 25%). The differences are explained below:

	2025	2024
	£'000	£'000
Profit before tax	20,050	15,712
Profit multiplied by standard rate of corporation tax of 25% (2024 – 25%)	5,013	3,928
Effects of:		
Expenses not deductible for tax purposes	327	102
R&D tax credit	–	(322)
Adjustments in respect of overseas tax rates	21	5
Unrecognised tax losses	367	390
Dual residency tax	1	129
Current tax adjustment in respect of previous years	(155)	(152)
Deferred tax adjustment in respect of previous years	(55)	132
Total taxation expense for the year	5,519	4,212

(c) Factors affecting future tax charge

At the reporting date, there are no factors that would affect the future tax charge and therefore deferred income taxation has been provided at the rate at the reporting date of 25%.

10 Earnings per share

The calculation of basic earnings per share of 90.0p (2024 – 71.0p) is based on the profit for the year attributable to equity holders of the parent of £14,531,000 (2024 – £11,500,000) and on a weighted average number of ordinary shares in issue of 16,153,308 (2024 – 16,186,103). At 30th April 2025 there were 720,870 (2024 – 1,068,693) dilutive shares on option with an effect of 545,606 (2024 – 845,288) giving a diluted earnings per share of 87.0p (2024 – 67.5p).

	2025	2024
	£'000	£'000
Number of ordinary shares in issue at start of the year	17,841,073	17,841,073
Cancellation of ordinary shares during the year	–	–
Number of ordinary shares in issue at the end of the year	17,841,073	17,841,073
Weighted average number of shares in issue	17,841,073	17,841,073
Less weighted average number of shares held in the ESOT	(19,105)	(163,021)
Less weighted average number of shares purchased by the Company	(1,668,660)	(1,491,949)
Weighted average number of shares to be used in basic EPS calculation	16,153,308	16,186,103
Dilutive effect of 720,870 (2024 – 1,068,693) shares on option	545,606	845,288
Weighted average diluted shares	16,698,914	17,031,391
Profit for the year attributable to equity holders of the parent in £	14,531,000	11,500,000
Basic earnings per share	90.0p	71.0p
Diluted earnings per share	87.0p	67.5p

Notes to the financial statements

Continued

11 Dividends paid and proposed

	2025	2024
	£'000	£'000
Declared and paid during the year:		
Final dividend for 2024: 16.5p (2023 – 13p)	2,703	2,123
Interim dividend for 2025: 5p (2024 – 3p)	804	487
	3,507	2,610
Proposed for approval by shareholders at the AGM:		
Final dividend for 2025: 18p (2024 – 16.5p)	2,910	2,703

12 Property, plant and equipment

(a) Group

	Freehold property £'000	Plant and equipment £'000	Total £'000
Cost or valuation			
At 30th April 2023	21,930	17,298	39,228
Additions	1,405	3,493	4,898
Disposals	–	(676)	(676)
Exchange differences	52	(25)	27
At 30th April 2024	23,387	20,090	43,477
Additions	1,303	2,430	3,733
Disposals	–	(944)	(944)
Revaluation	(136)	–	(136)
Reclassification	(360)	360	–
Exchange differences	(261)	(149)	(410)
At 30th April 2025	23,933	21,787	45,720
Accumulated depreciation			
At 30th April 2023	395	13,947	14,342
Depreciation charge for the year	408	1,365	1,773
Disposals	–	(578)	(578)
Exchange differences	2	(15)	(13)
At 30th April 2024	805	14,719	15,524
Depreciation charge for the year	437	1,720	2,157
Disposals	–	(857)	(857)
Revaluation	(1,216)	–	(1,216)
Reclassification	(3)	3	(0)
Exchange differences	(23)	(121)	(144)
At 30th April 2025	–	15,463	15,463
Net book value at 30th April 2025	23,933	6,324	30,257
Net book value at 30th April 2024	22,582	5,371	27,953
Analysis of cost or valuation			
At professional valuation	23,933	–	23,933
At cost	–	21,787	21,787
At 30th April 2025	23,933	21,787	45,720
Analysis of cost or valuation			
At professional valuation	21,561	–	21,561
At cost	1,826	20,090	21,916
At 30th April 2024	23,387	20,090	43,477

Notes to the financial statements

Continued

12 Property, plant and equipment (continued)

(b) Company	Plant and equipment £'000	Total £'000
Cost or valuation		
At 30th April 2023	8,906	8,906
Additions	832	832
Disposals	(262)	(262)
At 30th April 2024	9,476	9,476
Additions	886	886
Additions from group company	53	53
Disposals	(788)	(788)
At 30th April 2025	9,627	9,627
Accumulated depreciation		
At 30th April 2023	7,745	7,745
Depreciation charge for the year	596	596
Disposals	(254)	(254)
At 30th April 2024	8,087	8,087
Depreciation charge for the year	704	704
Additions from group company	7	7
Disposals	(742)	(742)
At 30th April 2025	8,056	8,056
Net book value at 30th April 2025	1,571	1,571
Net book value at 30th April 2024	1,389	1,389
Analysis of cost or valuation		
At professional valuation	–	–
At cost	9,627	9,627
At 30th April 2025	9,627	9,627
Analysis of cost or valuation		
At professional valuation	–	–
At cost	9,476	9,476
At 30th April 2024	9,476	9,476

(c) Within the Group depreciation has not been charged on freehold land which is included at a book value of £6,900,000 (2024 – £5,888,000) at 30th April 2025. The Company does not hold any freehold land.

(d) The last formal valuation of the Group's land and buildings, which consists of manufacturing and office facilities in the UK, the USA and Poland, was carried out in March 2025 by Dove Haigh Phillips (UK), Integra Realty Resources (USA), and KonSolid-Nieruchomosci (Poland). Management determined that these constitute one class of asset under IFRS 13 (designated as level 3 fair value assets), based on the nature, characteristics and risks of the properties.

The properties in the UK were valued on the basis of an existing use value in accordance with the Appraisal and Valuation Standards (5th Edition) published by the Royal Institution of Chartered Surveyors. The Polish property was valued based on the income approach, converting anticipated future benefits in the form of rental income into present value. The US property was valued on an income and market value basis. For all properties, there is no difference between current use and highest and best use.

During the year management have made an assessment of the Group's land and buildings and believe that carrying value is materially accurate so no adjustments to reflect the fair value are required.

If land and buildings were valued using the cost method, carrying amounts would be £15,921,000 (2024 – £15,338,000) at 30th April 2025.

(e) Plant and equipment includes machinery, office equipment, furniture and fixtures, and motor vehicles.

Notes to the financial statements

Continued

13 Leases

(a) Right-of-use assets

Group	Freehold property £'000	Plant and equipment £'000	Total £'000
Cost or valuation			
At 30th April 2023	2,312	–	2,312
Additions	–	–	–
Disposals	–	–	–
Exchange differences	(69)	–	(69)
At 30th April 2024	2,243	–	2,243
Exchange differences	(47)	–	(47)
At 30th April 2025	2,196	–	2,196
Accumulated depreciation			
At 30th April 2023	1,150	–	1,150
Depreciation charge for the year	371	–	371
Disposals	–	–	–
Exchange differences	(38)	–	(38)
At 30th April 2024	1,483	–	1,483
Depreciation charge for the year	357	–	357
Exchange differences	(29)	–	(29)
At 30th April 2025	1,811	–	1,811
Net book value at 30th April 2025	385	–	385
Net book value at 30th April 2024	760	–	760

Notes to the financial statements

Continued

13 Leases (continued)

(a) Right-of-use assets (continued)

Company	Freehold property £'000	Plant and equipment £'000	Total £'000
Cost or valuation			
At 30th April 2023	6,400	–	6,400
Additions	2,205	–	2,205
At 30th April 2024	8,605	–	8,605
Additions	–	–	–
At 30th April 2025	8,605	–	8,605
Accumulated depreciation			
At 30th April 2023	1,829	–	1,829
Depreciation charge for the year	677	–	677
At 30th April 2024	2,506	–	2,506
Depreciation charge for the year	678	–	678
At 30th April 2025	3,184	–	3,184
Net book value at 30th April 2025	5,421	–	5,421
Net book value at 30th April 2024	6,099	–	6,099

(b) Lease liabilities

Group

The Group has entered into commercial leases on certain properties. The remaining duration of these leases are from 1 year up to 3 years (2024 – 1 to 3 years) from the Statement of financial position date.

The future minimum lease payments are as follows:

	Within one year £'000	One to five years £'000	Total £'000
At 30th April, 2025			
Lease payments	361	62	423
Finance charges	(8)	(1)	(9)
Net present values	353	61	414
At 30th April 2024			
Lease payments	405	432	837
Finance charges	(23)	(10)	(33)
Net present values	382	422	804

The Group has elected not to recognise a lease liability for short-term or low value leases. Payments for such leases are expensed to profit or loss on a straight-line basis.

Notes to the financial statements

Continued

13 Leases (continued)

(b) Lease liabilities (continued)

Group (continued)

Lease expenses have been charged to the Consolidated income statement as follows:

	2025	2024
	£'000	£'000
Expenses relating to lease payments not classified as a lease liability:		
Short-term leases	182	94
Leases of low value assets	–	18
Total	182	112
Expenses relating to lease payments classified a lease liability:		
Depreciation on right-of-use assets	357	376
Interest on leases (note 8)	22	51
Total	379	427

Company

The Company has entered into three property leases with 'MS INTERNATIONAL Estates Ltd'. The remaining duration of these leases is 8 years (2024 – 9 years).

The future minimum lease payments are as follows:

	Within one year £'000	One to five years £'000	After five years £'000	Total £'000
At 30th April, 2025				
Lease payments	817	3,267	2,451	6,535
Finance charges	(168)	(471)	(124)	(763)
Net present values	649	2,796	2,327	5,772
At 30th April 2024				
Lease payments	817	3,267	3,267	7,351
Finance charges	(187)	(553)	(210)	(950)
Net present values	630	2,714	3,057	6,401

Notes to the financial statements

Continued

14 Intangible assets

Group	Goodwill £'000	Trade name £'000	Design database £'000	Non- complete agreement £'000	Customer relationships £'000	Order backlog £'000	Development costs £'000	Software costs £'000	Group £'000
Cost									
At 30th April 2023	3,058	1,044	1,370	51	2,642	328	279	384	9,156
Additions	–	–	–	–	–	–	142	–	142
Exchange differences	(21)	(5)	–	(2)	(48)	(6)	(29)	–	(111)
At 30th April 2024	3,037	1,039	1,370	49	2,594	322	392	384	9,187
Additions	–	–	–	–	–	–	18	–	18
Exchange differences	–	–	–	–	–	–	(12)	–	(12)
At 30th April 2025	3,037	1,039	1,370	49	2,594	322	398	384	9,193
Amortisation									
At 30th April 2023	994	738	1,370	51	2,642	328	279	358	6,760
Amortisation during the year	–	43	–	–	–	–	–	18	61
Exchange differences	(21)	(5)	–	(2)	(48)	(6)	–	–	(82)
At 30th April 2024	973	776	1,370	49	2,594	322	279	376	6,739
Amortisation during the year	–	43	–	–	–	–	38	8	89
Exchange differences	–	–	–	–	–	–	(2)	–	(2)
At 30th April 2025	973	819	1,370	49	2,594	322	315	384	6,826
Net book value at 30th April 2025	2,064	220	–	–	–	–	83	–	2,367
Net book value at 30th April 2024	2,064	263	–	–	–	–	113	8	2,448

Goodwill acquired through business combinations has been allocated for impairment testing purposes to the 'Petrol Station Superstructures' division, which is an operating segment.

Impairment testing

Goodwill considered significant in comparison to the Group's total carrying amount of such assets has been allocated to cash-generating units or groups of cash-generating units as follows:

	Goodwill 2025 £'000	Goodwill 2024 £'000
'Petrol Station Superstructures' division	2,064	2,064
	2,064	2,064

The performance of the 'Petrol Station Superstructures' division is the lowest level at which goodwill is monitored for internal management purposes.

At the reporting date, value-in-use was determined by discounting the future cash flows generated from the continuing operations of the divisions over the next 5 years and was based on the following key assumptions, which are consistent with the prior year:

Detailed 2 year management forecast.

A growth in cashflows estimated for 2 years, and a growth rate of 2% assumed from year 3.

Cash flows were discounted at a pre-tax rate of 12.2%.

The growth rates used in the value-in-use calculation reflect management's expectations for the business based upon previous experience and taking into consideration recent sales wins.

Based on the above assumptions, the value-in-use calculated at the reporting date for the 'Petrol Station Superstructures' division did not indicate the need for impairment and no reasonably possible changes in any of the key assumptions used would cause the carrying value of the unit to exceed its recoverable amount.

Company

There were no intangible assets (2024 – nil) included in the Company statement and financial position.

Notes to the financial statements

Continued

15 Investment in subsidiary undertakings

Principal subsidiary undertakings are set out on pages 88 and 89.

Company	Cost	Impairment	Net book value
At 30th April 2023	20,088	(4,419)	15,669
Impairment	–	–	–
At 30th April 2024	20,088	(4,419)	15,669
Recapitalisation of 'MSI-Sign Group B.V.'	1,537	–	1,537
Impairment of 'MSI-Sign Group B.V.'	–	(712)	(712)
Divestment of dormant subsidiaries	(45)	–	(45)
At 30th April 2025	21,580	(5,131)	16,449

During the year 'MSI-Sign Group B.V.' was recapitalised by way of loan offset of £1,537,000 (€1,800,000). This was undertaken for commercial reasons, namely to strengthen their balance sheet by moving from a net liability to net asset position. As a result of losses within the division in the current financial year, an impairment assessment was carried out using a value-in-use approach, resulting in an impairment charge of £712,000.

At the reporting date, value-in-use was determined by discounting the future cash flows generated from the continuing operations of the divisions over the next 5 years and was based on the following key assumptions:

Detailed 2 year forecast from divisional management

A growth in cashflows estimated for 2 years, and a growth rate of 2% assumed from year 3.

Cash flows were discounted at a pre-tax rate of 12.2%.

The growth rates used in the value-in-use calculation reflect management's expectations for the business based upon previous experience and taking into consideration recent sales wins.

Sensitivities to reasonably possible changes in assumptions have been considered for the impairment of 'MSI-Sign Group BV' and are summarised below:

- a 1 percentage point reduction in the growth rate from year 3 would not result in a material adjustment
- a 1 percentage point increase in the discount factor would not result in a material adjustment
- a 1 percentage point reduction in the growth rate from year 3 combined with a 1 percentage point increase in the discount factor would not result in a material adjustment
- a 5% reduction in management's forecasted profit before tax would not result in a material adjustment.

17 Deferred income tax

(a) Deferred income tax in the Consolidated income statement

The deferred income tax included in the Consolidated income statement is:

	2025 £'000	2024 £'000
Taxation deferred by capital allowances	130	393
Taxation on other temporary differences	(158)	70
Taxation on losses carried forward	–	140
Taxation on intangibles	(11)	20
Taxation on defined benefits pension	–	237
Taxation on revaluation	(2)	(3)
Adjustments in respect of prior year	(55)	132
Deferred income tax (credit)/expense (note 9)	(96)	989

Notes to the financial statements

Continued

17 Deferred income tax (continued)

(b) Deferred income tax assets

The deferred income tax assets included in the Consolidated and Company statements of financial position are:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Taxation deferred by capital allowances	–	–	(49)	33
Taxation on other temporary differences	7	16	633	890
Deferred tax asset	7	16	584	923

The movements on the deferred income tax asset are:

Group	Taxation deferred by capital allowances £'000	Taxation on other temporary differences £'000	Taxation on losses carried forward £'000	Taxation on pension liability £'000	Total £'000
At 30th April 2023 (as reported)	90	412	121	1,054	1,677
Prior year adjustment (note 33)	–	722	–	–	722
At 30th April 2023 (as restated)	90	1,134	121	1,054	2,399
Reclass to deferred tax liability	(90)	(1,133)	–	–	(1,223)
Deferred tax included in the Consolidated income statement	–	16	(121)	(237)	(342)
Deferred tax included in the Consolidated statement of comprehensive income	–	–	–	(817)	(817)
Exchange differences on retranslation included in the Consolidated statement of comprehensive income	–	(1)	–	–	(1)
At 30th April 2024	–	16	–	–	16
Reclassification to deferred tax liability	–	(9)	–	–	(9)
At 30th April 2025	–	7	–	–	7

Company	Taxation deferred by capital allowances £'000	Taxation on other temporary differences £'000	Taxation on pension liability £'000	Total £'000
At 30th April 2023 (as reported)	90	72	1,054	1,216
Prior year adjustment (note 33)	–	722	–	722
At 30th April 2023 (as restated)	90	794	1,054	1,938
Reclass to deferred tax liability	(90)	(72)	–	(162)
Deferred tax included in the Consolidated income statement	–	–	(237)	(237)
Deferred tax included in the Consolidated statement of comprehensive income	–	–	(817)	(817)
Prior year adjustment (note 33)	33	168	–	201
At 30th April 2024 (as restated)	33	890	–	923
Deferred tax included in the Consolidated income statement	(82)	111	–	29
Deferred tax included in the Consolidated statement of comprehensive income	–	192	–	192
Reallocate to current tax	–	(560)	–	(560)
At 30th April 2025	(49)	633	–	584

Notes to the financial statements

Continued

17 Deferred income tax (continued)

(c) Deferred income tax liabilities

The deferred tax liabilities included in the Consolidated and Company statements of financial position are:

	Group		Company	
	2025	2024	2025	2024
		as restated		
	£'000	£'000	£'000	£'000
Taxation deferred by capital allowances	1,338	1,134	–	–
Taxation on other temporary differences	(1,081)	(1,257)	–	–
Taxation on intangible assets	55	66	–	–
Taxation on buildings revaluation	1,930	2,103	–	–
Deferred tax liability	2,242	2,046	–	–

The movements on the deferred income tax liability are:

Group	Taxation deferred by capital allowances	Taxation on other temporary differences	Taxation on intangible assets	Taxation on buildings revaluation	Total
	£'000	£'000	£'000	£'000	£'000
At 30th April 2023	795	–	45	2,103	2,943
Reclass from deferred tax asset	(90)	(1,133)	–	–	(1,223)
Deferred tax included in the Consolidated income statement	429	202	19	(3)	647
Deferred tax included in the Consolidated statement of comprehensive income	–	38	–	–	38
Exchange differences on retranslation included in the Consolidated statement of comprehensive income	–	–	2	3	5
Prior year adjustment (note 33)	–	(364)	–	–	(364)
At 30th April 2024 (as restated)	1,134	(1,257)	66	2,103	2,046
Reclassification	106	(3)	–	(103)	–
Reallocate to current tax	–	560	–	–	560
Deferred tax included in the Consolidated income statement	113	(204)	(11)	(3)	(105)
Deferred tax included in the Consolidated statement of comprehensive income	–	–	–	(52)	(52)
Deferred tax taken directly to equity	–	(192)	–	–	(192)
Exchange differences on retranslation included in the Consolidated statement of comprehensive income	(15)	15	–	(15)	(15)
At 30th April 2025	1,338	(1,081)	55	1,930	2,242

Notes to the financial statements

Continued

17 Deferred income tax (continued)

(c) Deferred income tax liabilities (continued)

Company	Taxation deferred by capital allowances	Taxation on other temporary differences	Total
At 30th April 2023	–	–	–
Reclass from deferred tax asset	(90)	(72)	(162)
Deferred tax included in the Consolidated income statement	57	268	325
At 30th April 2024	(33)	196	163
Reclassification to deferred tax asset	33	(196)	(163)
At 30th April 2024 (as restated – note 33)	–	–	–
Deferred tax included in the Consolidated income statement	–	–	–
At 30th April 2025	–	–	–

Deferred income taxation has been provided at the rate at the reporting date of 25%.

18 Inventories

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Raw materials	12,654	13,771	593	593
Work in progress	17,455	9,001	2,440	1,151
Finished goods	624	2,478	76	79
	30,733	25,250	3,109	1,823

Details of the Group and Company's inventory provisions are as follows:

	Group £'000	Company £'000
At 30th April 2023	581	25
Inventory provision accrued during the year	188	40
Exchange differences	(1)	–
At 30th April 2024	768	65
Inventory provision accrued during the year	(10)	(34)
Exchange differences	(2)	–
At 30th April 2025	756	31

19 Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables (net of allowance for expected credit losses)	25,673	14,705	1,782	2,690
Amounts owed by subsidiary undertakings	–	–	10,225	8,502
Prepayments (*)	3,265	6,061	358	313
Other receivables (**)	4,082	7,429	11	24
Income tax receivable	649	686	471	577
Total current trade and other receivables	33,669	28,881	12,847	12,106

(*) Included in Prepayments in the Group is £1,964,000 (2024 – £4,926,000) for the payment in advance to certain suppliers in relation to contracts within the 'Defence and Security' division. There are no payments in advance within the Company (2024 – nil).

(**) Included in Other receivables in the Group is £3,497,000 (2024 – £5,661,000) of costs in relation to obtaining a contract. There are no costs in relation to obtaining a contract within the Company (2024 – nil).

Notes to the financial statements

Continued

19 Trade and other receivables (continued)

(a) Trade receivables

Trade receivables are denominated in the following currencies.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Sterling	15,230	12,222	1,524	2,220
Euro	822	1,084	258	470
US dollar	9,063	867	–	–
Other currencies	558	532	–	–
	25,673	14,705	1,782	2,690

Trade receivables are non-interest bearing, generally have 30 day terms, and are shown net of provision for expected credit losses. The aged analysis of trade receivables after provision for expected credit losses is as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Not past due	19,426	13,504	1,718	2,555
< 30 days	715	396	37	83
30-60 days	4,556	92	9	47
60-90 days	49	50	18	5
> 90 days	927	663	–	–
Total	25,673	14,705	1,782	2,690

In the Group, trade receivables with a nominal value of £14,000 (2024 – £15,000) were impaired and fully provided as at 30th April 2025. During the year, expected credit losses of £12,000 (2024 – £21,000) were recovered and expected credit losses of £11,000 (2024 – £nil) were incurred.

In the Company, trade receivables with a nominal value of £11,000 (2024 – £5,000) were impaired and fully provided as at 30th April 2025. During the year, expected credit losses of £5,000 (2024 – £11,000) were recovered and expected credit losses of £11,000 (2024 – £nil) were incurred.

(b) Amounts owed by subsidiary undertakings

All amounts due from Group companies are repayable on demand and are not charged interest. The majority of intercompany balances are to group entities with liquid assets and are capable of being fully repaid on demand, with the exception of loans to 'MSI-Sign Group BV' and 'MSI-Sign Group GmbH' for which an expected credit loss allowance of £2,842,000 (2024 – £3,113,000) is held. It is expected that all such loans will be settled within 12 months of the balance sheet date and the balances have been classified as current assets accordingly.

In terms of the expected credit loss allowance relating to 'MSI-Sign Group B.V.' and 'MSI-Sign Group GmbH' there has been a release of £257,000 (2024 – £1,686,000 charge) during the year.

The directors have assessed the likelihood of default and the loss in the event of default as well as the balance at the reporting date and conclude that there is no further impairment of the receivable.

The amounts receivable at the reporting date can be categorised as:

	2025 £'000	2024 £'000
Amounts due from companies backed by liquid assets	10,225	1,898
Amounts due from 'MS INTERNATIONAL Estates Limited'	7,631	5,207
Amounts due from 'MS INTERNATIONAL Estates LLC'	861	1,397
	18,717	8,502

Notes to the financial statements

Continued

20 Cash and cash equivalents

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and cash equivalents	23,745	35,509	9,087	9,936
Restricted cash held in Escrow – maturing in more than 90 days	4,038	7,170	–	–
Total cash	27,783	42,679	9,087	9,936

The balance held in Escrow provides security to both Lloyds Bank plc and Barclays Bank plc in respect of certain guarantees, indemnities, and performance bonds totalling £4,038,000 (2024 – £7,170,000) given by the Group in the ordinary course of business.

The Company is party to a cross guarantee between 'MS INTERNATIONAL plc' and 'MSI-Defence Systems Ltd' which has been put in place to ensure compliance with banking operations.

21 Net funds

(a) Analysis of net funds

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and cash equivalents (note 20)	23,745	35,509	9,087	9,936
Restricted cash held in Escrow (note 20)	4,038	7,170	–	–
Lease liabilities (note 13)	(414)	(804)	(5,772)	(6,401)
	27,369	41,875	3,315	3,535

(b) Group movement in net funds

	Cash and cash equivalents (note 20)	Restricted cash held in escrow (note 20)	Lease liabilities (note 13)	Total
At 30th April 2023	12,336	2,917	(1,208)	14,045
Cash flows	23,243	4,253	409	27,905
Foreign exchange adjustments	(70)	–	32	(38)
Interest (note 8)	–	–	(37)	(37)
At 30th April 2024	35,509	7,170	(804)	41,875
Cash flows	(11,619)	(3,132)	393	(14,358)
Foreign exchange adjustments	(145)	–	19	(126)
Interest (note 8)	–	–	(22)	(22)
At 30th April 2025	23,745	4,038	(414)	27,369

(c) Company movement in net funds

	Cash and cash equivalents (note 20)	Lease liabilities (note 13)	Total
At 30th April 2023	8,016	(4,807)	3,209
Cash flows	1,920	817	2,737
New leases (note 13)	–	(2,205)	(2,205)
Interest	–	(206)	(206)
At 30th April 2024	9,936	(6,401)	3,535
Cash flows	(849)	817	(32)
Interest	–	(188)	(188)
At 30th April 2025	9,087	(5,772)	3,315

Notes to the financial statements

Continued

22 Issued capital

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Ordinary shares at 10p each				
Authorised – 35,000,000 (2024 – 35,000,000)	3,500	3,500	3,500	3,500
Allotted, issued and fully paid – 17,841,073 (2024 – 17,841,073)	1,784	1,784	1,784	1,784

The balance classified as share capital includes the nominal value on issue of the Company's equity share capital, comprising 10p ordinary shares.

23 Reserves

Capital redemption reserve

The balance classified as capital redemption reserve represents the nominal value of issued share capital of the Company, repurchased.

Other reserves

Following the transfer of assets held at valuation by the Company to a subsidiary company, a reserve was created which is non-distributable. This is equal to the revaluation reserve previously arising.

Additionally, it includes the non-distributable retained reserve for the revaluation reserve previously showing in the Company for properties now transferred to other members of the Group.

Revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings as well as decreases to the extent that such a decrease relates to an increase on the same assets previously recognised in equity.

Special reserve

The special reserve is a distributable reserve created following the cancellation of a share premium account by way of court order in March 1993.

Currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Treasury shares

The treasury shares reserve is detailed as follows:

	2025 £'000	2024 £'000
Employee Share Ownership Trust (a)	3	37
Shares in treasury (b)	7,384	3,665
	7,387	3,702

(a) The Employee Share Ownership Trust ("ESOT")

The Employee Share Ownership Trust ("ESOT") provides for the issue of options over ordinary shares in the Company to Group employees, including executive directors, at the discretion of the Remuneration Committee. The trustee of the ESOT is Ocorian Ltd, an independent company registered in Jersey.

At 30th April 2025 the ESOT held 6,045 shares (2024 – 91,048), which represents 0.04% (2024 – 0.56%) of the issued share capital of the Company excluding treasury shares. The market value of these shares was £61,000 (2024 – £829,000) at 30th April 2025.

Notes to the financial statements

Continued

23 Reserves (continued)

Treasury shares (continued)

(a) The Employee Share Ownership Trust (“ESOT”) (continued)

A reconciliation of the movement in the number of shares held by the ESOT is as follows:

	Number	£'000
ESOT shares at 30th April 2023	245,048	100
Exercise of LTIP share options	(100,000)	(41)
Exercise of CSOP share options	(54,000)	(22)
<hr/>		
ESOT shares at 30th April 2024	91,048	37
Exercise of CSOP share options	(85,003)	(34)
<hr/>		
ESOT shares at 30th April 2025	6,045	3

During the year, 349,007 (2024 – 324,007) share options were exercised by Group employees, of which 85,003 (2024 – 154,000) were satisfied by the transfer of shares from the ESOT. These shares have been valued at a weighted average cost of £0.41 (2024 – £0.41) per share.

The assets, liabilities, income, and costs of the ESOT have been incorporated into the Company’s financial statements. Total ESOT costs charged to the income statement in the year amounts to £11,000 (2024 – £29,000). The Company made a payment of £1,000 (2024 – nil) into the ESOT bank accounts during the year. Details of the outstanding share options for directors are included in the Directors’ remuneration report.

(b) Shares in treasury

A reconciliation of the movement in the Company’s own 10p ordinary shares held in treasury is shown below:

	Number	£'000
Treasury shares at 30th April 2023	1,396,334	2,281
Purchase of 290,000 shares from pension scheme	290,000	1,676
Exercise of CSOP share options	(170,007)	(292)
<hr/>		
Treasury shares at 30th April 2024	1,516,327	3,665
Purchase of 415,000 shares	415,000	4,483
Exercise of LTIP shares	(100,000)	(329)
Exercise of CSOP share options	(164,004)	(435)
<hr/>		
Treasury shares at 30th April 2025	1,667,323	7,384

On 11th July 2024 and 6th September 2024 the Company purchased 300,000 shares and 115,000 shares (2024 – 290,000) at a price of £11.00 and £9.90 per share respectively (2024 – £5.78), totalling £4,483,000. During the year, 349,007 (2024 – 324,007) share options were exercised, of which 264,004 (2024 – 170,007) were satisfied by the transfer of shares held in treasury by the Company. The share options issued from treasury have been valued at a weighted average cost of £2.89 (2024 – £1.72) per share totalling £764,000 (2024 – £293,000).

24 Pension liability

The Company operates an employee defined benefits scheme called the MS INTERNATIONAL plc Retirement and Death Benefits Scheme (the Scheme). IAS 19 requires disclosure of certain information about the Scheme as follows:

- Until 5th April 1997 the Scheme provided defined benefits and these liabilities remain in respect of service prior to 6th April 1997. From 6th April 1997 until 31st May 2007 the Scheme provided future service benefits on a defined contribution basis.
- From 1st June 2007 the Company has operated a defined contributions scheme for its UK employees which is administered by a UK pension provider.
- The last formal valuation of the Scheme was performed at 5th April 2023 by a professionally qualified actuary.
- In the Interim Actuarial Report at 5th April 2025, the past service liabilities on a Technical Provisions basis were £18.857m (2024 – £20.61m) and the market value of the assets was £19.010m (2024 – £20.656m), giving a past service surplus of £0.153m (2024 – surplus £0.046m).

Notes to the financial statements

Continued

24 Pension liability (continued)

- The Company directly pays the expenses of the Scheme. The total pension scheme expenses incurred by the Company during the year were £278,000 (2024 – £359,000).
- Deficit reduction contributions paid into the Scheme by the Company were £900,000 per annum. The deficit reduction contributions are paid on a quarterly basis with the first having been paid on or after 1st July 2021 and the last being due for payment on or before 1st April 2028. However, due to the improved funding of the Scheme on a Technical Provisions basis, the last quarterly deficit contribution was made in April 2024. Therefore, the current Schedule of Contributions requires no further deficit reduction payments to be made. The total deficit reduction payments made in the year were £nil (2024 – £1,125,000). The deficit reduction payments to be made in the upcoming year will be £nil.
- At 30th April 2025 the present value of the contracted future deficit reduction contributions was £nil (2024 – £nil), which was less than the net scheme surplus of £624,000 (2024 – surplus £596,000). As the Company does not have an unconditional right to the economic benefits arising from this surplus, a liability of £nil (2024 – £nil) has been recognised within the financial statements in accordance with IFRIC 14.

Members contributions for the defined contributions scheme are paid in line with this scheme's documentation over the accounting period and the Company has no further payment obligations once the contributions have been made.

The Company's policy for recognising remeasurement gains and losses is to recognise them immediately through the Statement of comprehensive income.

Assumptions

	2025	2024
Discount rate at year-end	5.55%	5.25%
Pension increases – RPI inflation	2.95%	3.35%
Pension increases – CPI inflation	2.55%	2.65%
Future salary increases	3.45%	3.85%
Life expectancy for male currently aged 65	20.7 years	20.7 years
Life expectancy for female currently aged 65	23.3 years	23.2 years

- **Discount rate** – The discount rate of 5.55% is based on the Aon GBP Single Agency AA (corporates) curve, as was the case in the prior year. A 0.5% reduction in the discount rate would lead to an increase in past service liabilities of around £0.78m (2024 – £.85m).
- **Inflation assumptions** – The RPI inflation assumption of 2.95% per annum was based on an underlying 'break even' RPI assumption of 3.20%, derived consistently to the discount rate using the Aon UK Government Gilt Prices Only (GPO) curve with an inflation premium (IRP) of 0.25% per annum. The CPI inflation assumption of 2.55% was derived by assuming an RPI-CPI gap of 0.4% (2024 – 0.7%) based on Aon's best estimate assumption. A 0.5% increase in the inflation assumptions would lead to an increase in past service liabilities of around £0.17m (2024 – £0.19m).
- **Future salary increases** – The assumption is 0.5% per annum above RPI inflation, which is consistent with prior years. Members living around 1 year longer than expected would lead to an increase in past service liabilities of around £0.63m (2024 – £0.69m).

In relation to the other assumptions there is no sensitivity analysis as small changes in these assumptions will not have a material impact.

The average duration of the scheme is 9 years (2024 – 9 years).

Statement of financial position

	2025	2024
	£'000	£'000
Present value of obligations	(18,279)	(19,562)
Fair value of plan assets	18,903	20,158
Liability arising from IFRIC 14	–	–
Surplus restriction	(624)	(596)
Net liability	–	–

Notes to the financial statements

Continued

24 Pension liability (continued)

Income statement

	2025 £'000	2024 £'000
Interest on net liabilities (note 8)	–	179
Administration expenses	278	359
Total income statement cost	278	538

Change in defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation	(19,562)	(21,260)
Interest expense	(988)	(1,006)
Actuarial gains on liabilities arising from experience	33	346
Actuarial gains on liabilities arising from changes in demographic assumptions	43	322
Actuarial gains on scheme liabilities arising from changes in financial assumptions	520	540
Net benefits paid	1,675	1,496
Defined benefit obligation	(18,279)	(19,562)

Change in fair value of plan assets

	2025 £'000	2024 £'000
Opening fair value of plan assets	20,158	19,911
Interest income on assets	1,019	966
Remeasurement losses on scheme assets	(599)	(348)
Deficit reduction contributions by employer	–	1,125
Net benefits paid	(1,675)	(1,496)
Fair value of plan assets	18,903	20,158

Statement of other comprehensive income

	2025 £'000	2024 £'000
Return on plan assets below that recognised in net interest	(599)	(348)
Remeasurement gains	–	1,208
Change due to irrecoverable surplus	3	(596)
Remeasurement gain arising from IFRIC 14 liability	596	3,006
Total remeasurement gains credited to Statement of other comprehensive income	–	3,270

	2025 £'000	2024 £'000
Expected deficit reduction contributions into the Scheme during next accounting year:	–	–

Breakdown of plan assets

	Plan assets £'000	Asset allocation
Breakdown of assets at 30th April, 2025		
Fixed interest government bonds	12,557	66.0%
Index linked government bonds	3,887	21.0%
Bond fund	1,704	9.0%
LDI	514	3.0%
Cash/other	241	1.0%
	18,903	100%

Notes to the financial statements

Continued

24 Pension liability (continued) Breakdown of plan assets (continued)

	Plan assets £'000	Asset allocation
Breakdown of assets at 30th April 2024		
Fixed interest government bonds	13,567	68.0%
Index linked government bonds	3,797	19.0%
Bond fund	1,279	6.0%
LDI	1,279	6.0%
Cash/other	236	1.0%
	20,158	100%

The Scheme exposes the company to some risks, the most significant of which are:

- **Asset volatility** – the defined benefit obligation is calculated using a discount rate related to corporate bond yields. If the assets of the scheme underperform against the yield, this will create a deficit. The scheme holds a significant proportion of growth assets which, although are expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate.
- **Changes in bond yields** – a decrease in the bond yields will increase the value placed on the scheme's defined benefit obligations for accounting purposes, although this may be partially offset by an increase in the value of the scheme's bond holdings.
- **Inflation risk** – a proportion of the scheme's defined benefit obligation is linked to inflation, and higher inflation leads to a higher obligation. However, in most cases there are caps on the level of inflationary increases to protect against extreme inflation. Most of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit. Given the duration and age profile of the scheme, the exposure to inflationary risk is relatively small.
- **Life expectancy** – Life expectancy – the majority of the scheme's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the obligation.

25 Trade and other payables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current trade payables				
Trade payables	6,438	6,240	2,881	2,384
Amounts owed to subsidiary undertakings	–	–	6,894	4,036
Accruals	8,202	11,781	2,863	2,876
Warranty provision (note 26)	929	1,317	–	–
Cash settled share-based payments	464	134	464	134
Other payables	759	1,372	657	608
Income tax payable	1	505	–	274
Total current trade payables	16,793	21,349	13,759	10,312
Non-current trade payables				
Other payables	623	–	–	–
Total non-current trade payables	623	–	–	–

In the Company the amounts due to subsidiary undertakings are repayable on demand and are not charged interest.

Notes to the financial statements

Continued

26 Provisions

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Warranty provision	929	1,317	-	-
	929	1,317	-	-

Warranty provisions are measured at management's best estimate of the expenditure required to settle the warranty obligation at the balance sheet date.

A reconciliation of the movements in warranty provisions during the year is shown below:

	Group £'000	Company £'000
Warranty provision as at 30th April 2023	474	-
Movement during the year	846	-
Exchange differences	(3)	-
Warranty provision as at 30th April 2024	1,317	-
Movement during the year	(367)	-
Exchange differences	(21)	-
Warranty provision as at 30th April 2025	929	-

27 Contracts with customers

The Group and Company have recognised the following assets and liabilities relating to contracts with customers:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current contract assets	428	-	-	-
Current contract assets	7,376	100	-	-
Contract assets	7,804	100	-	-
Current contract liabilities	(45,670)	(42,616)	(3,092)	(1,784)
Non-current contract liabilities	(7,208)	(10,019)	-	-
Contract liabilities	(52,878)	(52,635)	(3,092)	(1,784)
Net contract liabilities	(45,074)	(52,535)	(3,092)	(1,784)

The increase in contract assets during the year ending 30th April 2025 is as a result of contract retentions, that is, the excess of revenue recognised in profit and loss over invoiced milestones within the contract. At 30th April 2025 there was no provision for expected credit losses relating to contract assets (2024 – nil).

Notes to the financial statements

Continued

27 Contracts with customers (continued)

A reconciliation of the movements in contract liabilities during the year is shown below:

	Group	Company
	£'000	£'000
Contract liabilities as at 30th April 2023	14,585	856
New contract liabilities	105,443	5,448
Revenue recognised in the year:		
– that was included in the contract liability balance as at 30th April 2024	(9,667)	(856)
– relating to new contract liabilities in the year	(57,505)	(3,664)
Other movements	(22)	–
Exchange differences	(199)	–
Contract liabilities as at 30th April 2024	52,635	1,784
New contract liabilities	79,641	5,679
Revenue recognised in the year:		
– that was included in the contract liability balance as at 30th April	(29,569)	(1,775)
– relating to new contract liabilities in the year	(55,234)	(2,596)
Transfer of retentions to contract assets	7,604	–
Exchange differences	(2,199)	–
Contract liabilities as at 30th April 2025	52,878	3,092

Contract liabilities relate to amounts invoiced on a contract before performance obligations are met and revenue is recognised. Included in the contract liabilities balance at 30th April 2025 is £12,171,000 (2024 – £6,987,000) relating to unpaid invoices.

Of the existing contracts that were unsatisfied or partially unsatisfied at 30th April 2025, revenue is expected to be recognised as follows:

	Group	Company
	£'000	£'000
2026	45,670	3,092
2027	4,312	–
2028	379	–
2029	2,517	–
Total	52,878	3,092

Notes to the financial statements

Continued

28 Financial instruments

Carrying values of financial assets and liabilities

The carrying value of all financial assets and liabilities by class are shown below. The carrying value is in line with each asset and liability's fair value.

	Notes	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets held at amortised cost					
Trade receivables	19	25,673	14,705	1,782	2,690
Amounts owed by subsidiary undertakings	19	–	–	18,717	8,502
Contract assets	27	7,804	100	–	–
		33,477	14,805	20,499	11,192
Financial assets held at fair value through profit or loss					
Derivative financial instruments	6	1,134	1,207	1,134	1,207
		1,134	1,207	1,134	1,207
Financial liabilities measured at amortised cost					
Trade payables	25	6,438	6,240	2,881	2,384
Amounts owed to subsidiary undertakings	25	–	–	6,894	4,036
Contract liabilities	27	52,878	52,635	3,092	1,784
Lease liabilities	13	385	760	5,421	6,099
		59,701	59,635	18,288	14,303

No significant differences exist between the book value and the fair value of the financial assets and liabilities as at 30th April 2025 and 30th April 2024.

For the year ended 30th April 2025 all financial instruments, with the exception of derivative financial instruments, were categorised as level 1, that is, quoted prices in active markets are available for identical assets or liabilities. Changes in marking the outstanding forward exchange contracts to fair value, which is based upon quoted market valuations, are credited or charged through the income statement as “derivative financial gains/(losses)”. As a result, derivative financial instruments are considered to be a level 2 classification in the fair value hierarchy as quoted exchange rate rulings are inputs in the assessment of fair value.

Management of financial risks

The Group's risk management is predominantly controlled by the central group treasury function, in close cooperation with the board of directors. The focus of financial risk management is to actively secure the Group's cash flows by minimising the exposure to volatile financial markets. The major financial risks faced by the Group and Company are funding risks, interest rate risks, currency risks, and credit risks.

(a) Funding risk

At the reporting date the Group had a cash and cash equivalents balance of £23,745,000 with a further £4,038,000 of restricted cash held in Escrow (2024 – £35,509,000 with £7,170,000 in Escrow). The Company had a cash and cash equivalents balance of £9,087,000 (2024 – £9,936,000).

(b) Interest rate risk

The Group has available a multicurrency bank overdraft offset facility in relation to its bank accounts held in Lloyds Bank plc, however, this is limited to a net £nil overdraft position.

Management has secured favourable interest rates on positive cash balances, which are linked to the respective base rates, and have worked to optimise bank interest income across the Group via treasury management (note 8). The Group's cash position is monitored daily by the Board. The Board believe that the main interest rate risk to the Group is the risk of not fully maximising interest income on positive balances.

If interest rates had been 0.5% higher/lower and all other variables were held constant, there would have been £123,000 impact on the profit before tax (2024 – £125,000).

Notes to the financial statements

Continued

28 Financial instruments (continued)

Management of financial risks (continued)

(c) Foreign currency risk

The Group operates internationally and is therefore exposed to foreign exchange risk. A proportion of the Group's revenue and purchases are denominated in currencies other than Sterling, mainly US Dollars (USD) and the Euro (EUR).

The Group's foreign currency risk exposure is minimised by the following:

- (1) invoicing in sterling where practicable.
- (2) foreign cash flows are monitored across the Group on a weekly basis. Any foreign currency surpluses in one division are transferred by central treasury to offset foreign currency shortages in other divisions.
- (3) receipts and payments are offset against each other where possible and surpluses are either hedged or sold at spot rate depending on the requirements of the group.
- (4) where the group is unhedged and surplus currency is generated, foreign exchange contracts are taken out to minimise currency exposures. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions. Currently the forward exchange contracts in place relate to specific USD contracts within the 'Defence and Security' division. Forward exchange contracts are only used for economic hedging purposes and not as speculative instruments. The Group does not adopt hedge accounting and therefore these contracts are accounted for at fair value through profit or loss (note 6).

The table below shows the Group's currency exposures i.e., those transactional exposures that give rise to the net currency gains and losses recognised in the income statement. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the operating unit involved.

As at 30th April 2025 these currency exposures are as follows:-

Group	Sterling £'000	US Dollar £'000	Euro £'000	Others £'000	Total £'000
2025					
Cash and cash equivalents	3	2,237	1,022	10	3,272
Trade and other receivables	-	-	277	-	277
Trade and other payables	-	(48)	(590)	-	(638)
Total	3	2,189	709	10	2,911
2024					
Cash and cash equivalents	8	18,035	1,838	19	19,900
Trade and other receivables	-	1	525	-	526
Trade and other payables	-	(1,058)	(592)	-	(1,650)
Total	8	16,978	1,771	19	18,776
Company					
2025					
Cash and cash equivalents	-	(738)	520	-	(218)
Trade and other receivables	-	1,119	960	-	2,079
Trade and other payables	-	(5,716)	(475)	-	(6,191)
Total	-	(5,335)	1,005	-	(4,330)
2024					
Cash and cash equivalents	-	(311)	447	-	136
Trade and other receivables	-	1,536	3,175	-	4,711
Trade and other payables	-	(2,966)	(316)	-	(3,282)
Total	-	(1,741)	3,306	-	1,565

Notes to the financial statements

Continued

28 Financial instruments (continued)

(c) Foreign currency risk (continued)

The Group and Company's exposure to a 5% exchange rate fluctuation on its foreign currency monetary assets and liabilities would be as follows:

	Sterling £'000	US Dollar £'000	Euro £'000	Others £'000	Total £'000
Group	–	(104)	(34)	–	(138)
Company	–	254	(48)	–	206

(d) Credit risk

There are no significant concentrations of credit risk within the Group or Company. The maximum credit risk exposure relating to financial assets is represented by carrying values at the Statement of financial position date.

The Group and Company have established procedures to minimise the risk of default by trade debtors including credit checks undertaken before a customer is accepted and credit insurance where available and appropriate. Historically these procedures have proved effective in minimising the level of impaired and past due receivables.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The expected loss rates are based on the payment profile for sales over the recent reporting periods as well as the corresponding historical credit losses during that period.

Trade receivables and contract assets are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

An ageing analysis, net of expected credit loss, for trade receivables in the Group and Company can be found in note 19.

The Company has recognised an expected credit loss allowance in relation to group loans made by the Company to 'MSI-Sign Group BV' and 'MSI-Sign Group GmbH'. This allowance limits the exposure of the loans to the net asset value of the two subsidiaries.

Company	2025 £'000	2024 £'000
'MSI-Sign Group BV'	1,774	2,250
'MSI-Sign Group GmbH'	1,068	863
	2,842	3,113

29 Capital commitments

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Contracted but not provided in the financial statements	913	591	–	–

30 Contingent liabilities

The Group is contingently liable in respect of guarantees, indemnities, and performance bonds given in the ordinary course of business amounting to £4,038,000 at 30th April 2025 (2024 – £7,170,000). Performance bonds are all within the 'Defence and Security' division and are linked to performance activities such as factory acceptance tests, shipping or delivery of hardware, sea/site acceptance tests, or warranty activities. The cash held in Escrow of £4,038,000 (2024 – £7,170,000) provides security to both Lloyds Bank plc and Barclays Bank plc in respect of these guarantees, indemnities and performance bonds.

Notes to the financial statements

Continued

31 Related party transactions

The following transactions took place, during the year, between the Company and other subsidiaries in the Group.

Purchases of goods and services £1,227,000 (2024 – £1,232,000)

Sales of goods and services £5,501,000 (2024 – £5,152,000)

The following balances between the Company and other subsidiaries in the Group are included in the Company statement of financial position as at 30th April 2025.

Amounts owed to the Company £10,225,000 (2024 – £8,502,000)

Amounts owed by the Company £6,894,000 (2024 – £4,036,000)

Key management personnel are considered to be both executive and non-executive directors of the Group. Their compensation is summarised below.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Short-term employee benefits	3,735	3,517	3,597	3,379
Pension contributions	133	115	133	115
Gain on exercise of share options (note 32)	1,385	1,043	1,385	899
Social security costs	531	475	512	458
Cash settled share-based payment provision	330	134	330	134
Equity settled share-based payment expense	18	15	15	12
See Directors' remuneration report on pages 85 to 87	6,132	5,299	5,972	4,997

During the year Michael Bell utilised his company credit card for personal expenses. All transactions have been reimbursed at the year end with the balance on the account being nil. During the year, the maximum amount on his balance was £11,000 (2024 – £73,000).

The short-term employee benefits shown in the table above include £180,000 paid to Roger Lane-Smith via Lane-Smith Consultants with regards to additional services performed for the Group and Company.

32 Share-based payments

(a) Equity settled share-based payments

During the year, a total of 12,000 (2024 – 122,700) share options have been granted to employees under the MS INTERNATIONAL plc Company Share Option Plan at an exercise price of £10.00 per share (2024 – £6.24 and £7.20 per share). These options are exercisable in three equal amounts at three, four and five years after the date of grant and are not subject to any share price performance conditions.

Share options totalling 349,007 (2024 – 324,007) have been exercised during the period. This includes 100,000 (2024 – 100,000) options exercised under the MS INTERNATIONAL plc Long Term Incentive Plan at an exercise price of £0 (2024 – £0) per share, and a further 249,007 (2024 – 224,007) options exercised under the MS INTERNATIONAL Plc Company Share Option Scheme at an exercise price of £1.41 per share.

264,004 (2024 – 170,007) of the options were satisfied by transferring shares from treasury and the remaining 85,003 (2024 – 154,000) options were satisfied by transferring shares from The Employee Share Ownership Trust ("ESOT").

The contractual life of all of the options is 10 years and there are no cash settlement alternatives. The weighted average remaining contractual life is 5.71 years (2024 – 6.44 years).

Notes to the financial statements

Continued

32 Share-based payments (continued)

(a) Equity settled share-based payments (continued)

The following tables illustrate the number and weighted average exercise prices (WAEP) of share options during the year:

	Long Term Incentive Plan		Company Share Option Plan		Total	
	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at 30th April 2023	250,000	£0.00	1,020,000	£1.44	1,270,000	£1.16
Granted in year	–	–	122,700	£7.16	122,700	£7.16
Exercised in year	(100,000)	£0.00	(224,007)	£1.41	(324,007)	£0.97
Outstanding at 30th April 2024	150,000	£0.00	918,693	£2.21	1,068,693	£1.90
Granted in year	–	–	12,000	£10.00	12,000	£10.00
Cancelled in year	–	–	(10,816)	£1.41	(10,816)	£1.41
Exercised in year	(100,000)	£0.00	(249,007)	£1.41	(349,007)	£1.01
Outstanding at 30th April 2025	50,000	£0.00	670,870	£2.63	720,870	£2.44

The Group recognised a total charge of £78,000 (2024 – £65,000) in relation to equity-settled share-based payment transactions. At 30th April 2025 there were 50,000 (2024 – 150,000) and 520,320 (2024 – 442,677) share options exercisable in the LTIP and CSOP share option schemes respectively.

The fair value of awards granted during the year were determined using the Black Scholes valuation models. The fair value of these share options and the assumptions used are shown in the table below:

	Company Share Option Plan
Valuation model	Black Scholes
Number of shares granted under option	12,000
Fair value	£3.63
Share price at grant	£9.90
Exercise price	£9.90
Dividend yield	2.5%
Expected volatility	31%
Expected life	3.0 – 5.0 years
Risk-free interest rate	4.38%

The weighted average fair value of options outstanding at the end of the year is £0.44 (2024 – £0.29)

(b) Cash settled share-based payments

In October 2023 the Group has granted a phantom award in respect of 100,000 notional options, exercisable at nil value, to one non-executive director. The phantom award will be cash settled in reference to the share price on the date of exercise. The vesting of the phantom option is subject to continued service and will only vest in the event of a future change of control in the Company. The awards will lapse if they have not vested within 10 years of grant.

At the reporting date the phantom award has been measured at fair value with reference to the prevailing share price at that date, adjusted for dividend leakage over the expected life of the award. The aggregate charge period has been measured at 3 years with an expense of £330,000 (2024 – £134,000) being charged to the Consolidated income statement within the year. The cumulative total charged over the eighteen months (2024 – six months) since the date of grant is £464,000 (2024 – £134,000).

Notes to the financial statements

Continued

33 Prior year adjustment

During the year management identified that the Company had not accounted for Part 12 tax relief with respect of share based payments in prior years and the associated deferred tax. The tax relief is equal to the difference between the market value of shares on the date of acquisition less the price paid for the share options. Where the amount any tax deduction, or estimated future tax deduction, exceeds the cumulative equity settled share-based payment charge expense, the current or deferred tax associated with the excess is recognised directly in equity.

As a result, the current tax adjustment of £206,000 and the deferred tax adjustment of £722,000 in respect of 30th April 2023 have been recognised directly within equity, increasing retained earnings by £928,000. For the year ended 30th April 2024 there has been further adjustments of £371,000 and £364,000 to current tax and deferred tax respectively, giving a cumulative adjustment of £577,000 and £1,086,000, with a corresponding increase to retained earnings and equity of £1,663,000.

The table below shows the impact of the prior year adjustment on the statement of financial position for the years ended 30th April 2023 and 30th April 2024. There is no impact on the consolidated income statement, the consolidated statement of comprehensive income, or the earnings per share for the years ended 30th April 2023 and 30th April 2024.

Notes to the financial statements

Continued

33 Prior year adjustment (continued)

Prior year adjustment in respect of 30th April 2023

	Group			Company		
	2023 as previously reported £000s	Prior year adjustment £000s	2023 as restated £000s	2023 as previously reported £000s	Prior year adjustment £000s	2023 as restated £000s
Non-current assets						
Property, plant and equipment	24,886	–	24,886	1,161	–	1,161
Right-of-use assets	1,162	–	1,162	4,571	–	4,571
Intangible assets	2,396	–	2,396	–	–	–
Investments in subsidiaries	–	–	–	15,669	–	15,669
Deferred income tax asset	1,677	722	2,399	1,216	722	1,938
Derivative asset	–	–	–	–	–	–
	30,121	722	30,843	22,617	722	23,339
Current assets						
Inventories	24,764	–	24,764	2,765	–	2,765
Derivative asset	–	–	–	–	–	–
Trade and other receivables	9,031	–	9,031	14,344	–	14,344
Contract assets	144	–	144	–	–	–
Cash and cash equivalents	12,336	–	12,336	8,016	–	8,016
Restricted cash held in Escrow	2,917	–	2,917	–	–	–
	49,192	–	49,192	25,125	–	25,125
TOTAL ASSETS	79,313	722	80,035	47,742	722	48,464
Equity						
Share capital	1,784	–	1,784	1,784	–	1,784
Capital redemption reserve	957	–	957	957	–	957
Other reserves	2,815	–	2,815	7,620	–	7,620
Revaluation reserve	9,923	–	9,923	–	–	–
Special reserve	1,629	–	1,629	1,629	–	1,629
Currency translation reserve	(320)	–	(320)	–	–	–
Treasury shares	(2,381)	–	(2,381)	(2,381)	–	(2,381)
Retained earnings	26,668	928	27,596	18,321	928	19,249
TOTAL EQUITY SHAREHOLDERS' FUNDS	41,075	928	42,003	27,930	928	28,858
Non-current liabilities						
Defined benefit pension liability	4,216	–	4,216	4,216	–	4,216
Contract liabilities	–	–	–	–	–	–
Deferred income tax liability	2,943	–	2,943	–	–	–
Lease liabilities	829	–	829	4,388	–	4,388
	7,988	–	7,988	8,604	–	8,604
Current liabilities						
Trade and other payables	15,286	(206)	15,080	9,933	(206)	9,727
Contract liabilities	14,585	–	14,585	856	–	856
Lease liabilities	379	–	379	419	–	419
	30,250	(206)	30,044	11,208	(206)	11,002
TOTAL EQUITY AND LIABILITIES	79,313	722	80,035	47,742	722	48,464

Notes to the financial statements

Continued

33 Prior year adjustment (continued)

Prior year adjustment in respect of 30th April 2024

	Group			Company		
	2024 as previously reported £000s	Prior year adjustment £000s	2024 as restated £000s	2024 as previously reported £000s	Prior year adjustment £000s	2024 as restated £000s
Non-current assets						
Property, plant and equipment	27,953	–	27,953	1,389	–	1,389
Right-of-use assets	760	–	760	6,099	–	6,099
Intangible assets	2,448	–	2,448	–	–	–
Investments in subsidiaries	–	–	–	15,669	–	15,669
Deferred income tax asset	16	–	16	–	923	923
Derivative asset	309	–	309	309	–	309
Trade and other receivables	–	–	–	6,604	–	6,604
	31,486	–	31,486	30,070	923	30,993
Current assets						
Inventories	25,250	–	25,250	1,823	–	1,823
Derivative asset	898	–	898	898	–	898
Trade and other receivables	28,304	577	28,881	4,925	577	5,502
Contract assets	100	–	100	–	–	–
Cash and cash equivalents	35,509	–	35,509	9,936	–	9,936
Restricted cash held in Escrow	7,170	–	7,170	–	–	–
	97,231	577	97,808	17,582	577	18,159
TOTAL ASSETS	128,717	577	129,294	47,652	1,500	49,152
Equity						
Share capital	1,784	–	1,784	1,784	–	1,784
Capital redemption reserve	957	–	957	957	–	957
Other reserves	2,815	–	2,815	7,620	–	7,620
Revaluation reserve	9,923	–	9,923	–	–	–
Special reserve	1,629	–	1,629	1,629	–	1,629
Currency translation reserve	(607)	–	(607)	–	–	–
Treasury shares	(3,702)	–	(3,702)	(3,702)	–	(3,702)
Retained earnings	37,998	1,663	39,661	20,704	1,663	22,367
TOTAL EQUITY SHAREHOLDERS' FUNDS	50,797	1,663	52,460	28,992	1,663	30,655
Non-current liabilities						
Defined benefit pension liability	–	–	–	–	–	–
Contract liabilities	10,019	–	10,019	–	–	–
Deferred income tax liability	3,132	(1,086)	2,046	163	(163)	–
Lease liabilities	422	–	422	5,771	–	5,771
	13,573	(1,086)	12,487	5,934	(163)	5,771
Current liabilities						
Trade and other payables	21,349	–	21,349	10,312	–	10,312
Contract liabilities	42,616	–	42,616	1,784	–	1,784
Lease liabilities	382	–	382	630	–	630
	64,347	–	64,347	12,726	–	12,726
TOTAL EQUITY AND LIABILITIES	128,717	577	129,294	47,652	1,500	49,152

Notes to the financial statements

Continued

34 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 30th April 2025 and 30th April 2024.

Capital comprises equity attributable to the equity holders of the parent company £61,189,000 (2024 – £52,460,000 as restated).

Summary of Group results 2021 – 2025

CONSOLIDATED INCOME STATEMENT

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Group revenue	117,503	109,576	83,956	74,524	61,539
Group operating profit	18,722	14,751	5,250	6,187	1,786
Share of joint venture (loss)/profit	–	–	(36)	–	28
Finance income/(expense)	1,328	961	(136)	(220)	(222)
Profit before taxation	20,050	15,712	5,078	5,967	1,592
Taxation	(5,519)	(4,212)	(963)	(1,035)	(415)
Profit for the year	14,531	11,500	4,115	4,932	1,177

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025	2024	2023	2022	2021
	£'000	as restated £'000	as restated £'000	£'000	£'000
Assets employed:					
Intangible assets	2,367	2,448	2,396	3,002	3,558
Property, plant and equipment	30,257	27,953	24,886	24,537	19,113
Right-of-use assets	385	760	1,162	1,479	530
Investments	–	–	–	34	36
Non-current derivative asset	–	309	–	–	–
Non-current contract asset	428	–	–	–	–
Other net current assets/(liabilities)	10,096	(9,218)	3,895	(2,706)	(8,334)
Cash, cash equivalents, and restricted cash	27,783	42,679	15,253	19,250	23,555
Net assets employed	71,316	64,931	47,592	45,596	38,458
Financed by:					
Ordinary share capital	1,784	1,784	1,784	1,784	1,784
Reserves	59,405	50,676	40,219	36,791	29,252
Shareholders' funds	61,189	52,460	42,003	38,575	31,036
Net non-current liabilities	10,127	12,471	5,589	7,021	7,422
	71,316	64,931	47,592	45,596	38,458

Corporate governance statement

As an AIM quoted company MSI INTERNATIONAL plc, under AIM Rule 26, is required to adopt a recognised corporate governance code, describe how it complies with that code and provide details of where it does not comply with its chosen corporate governance code.

MSI INTERNATIONAL plc has chosen to adopt as far as practical for a Group of its size the 2023 QCA Corporate Governance Code. The Chairman assumes principal responsibility for corporate governance.

The Board

The Board is responsible for ensuring that MSI INTERNATIONAL plc has the strategy, people, structure, and culture in place to deliver value over the medium to long-term to shareholders and other stakeholders of the Group and is committed to high standards of governance, as is appropriate for a company of its size and structure.

The Board is chaired by the Executive Chairman Michael Bell, who has no other significant commitments and is responsible for the operation, strategic focus, and direction of the business. The executive directors include Michael O'Connell, Nicholas Bell and Shelley Ashcroft. There are two non-executive directors, Roger Lane-Smith and David Hansell, with Roger Lane-Smith being designated as Senior Independent Director.

The two non-executive directors devote sufficient time to fulfil their responsibilities to the Company. The Board has considered their length of service as directors and employees and has determined that in terms of interest, experience, and judgement they all remain independent. This is currently lower than the recommendation in the 2023 QCA code, which advises of at least half the board being non-executives, and as a result this will be reviewed.

The Board meets at least quarterly throughout the year to direct and assess the overall strategy and operating performance of the Group. All directors have full and timely access to all relevant information to allow them to carry out their responsibilities. Executive directors, except for Company business trips and holidays, meet on a daily basis when possible. Additionally, each of the divisional operations have monthly review meetings which are attended by the Executive Chairman and the Group Financial Director.

The Board is supported by an Audit Committee and a Remuneration Committee. Roger Lane-Smith and David Hansell are members of both committees, with Roger Lane-Smith serving as Chairman.

The Audit Committee normally meets three times a year and has the responsibility for reviewing the interim statements, the annual report, and the effectiveness of the system of internal controls with the Group's external auditor. The external auditor has direct access to the Committee without the executive directors being present. The ultimate responsibility for reviewing and approving the Group financial statements remains with the Board.

The Remuneration Committee, which meets at least once a year and as required, has the responsibility for making recommendations to the Board on the remuneration packages, including share option schemes and bonuses, of each of the executive directors.

Due to the size of the Group there is no Nominations Committee. The Chairman discusses the appointment or replacement of directors with the Board as a whole. The Board are aware of the age profile of the directors, and this is under review. Recent appointments to the board of Shelley Ashcroft (aged 39) and the proposed appointment of John Meldrum (age 56) seek to address this.

The number of meetings and members attendance of Board and Committee meetings during the financial year ended 30th April 2025 was as follows:

	Board	Audit Committee	Remuneration Committee
Number of meetings in the year	6	3	2
Attended by:			
Michael Bell	6	—	—
Michael O'Connell	6	3	—
Nicholas Bell	6	—	—
Shelley Ashcroft	6	3	—
Roger Lane-Smith	4	3	2
David Hansell	4	3	2

Board experience, skills, and evaluation

Due to the size of the Group, and the nature of its operations and strategic demands, there is no formal Board performance evaluation process in place. However, the Chairman periodically meets with the executive and non-executive directors to ensure they are committed, their respective contributions are effective and productive and, where relevant, they have maintained their independence.

Corporate governance statement

Continued

Board experience, skills, and evaluation (continued)

The Board has considered its structure and composition and believes it to be appropriate having taken into account the nature and characteristics of the Group.

As the directors have all served the Group as employees and directors over many years, the Board believes it is not necessary to give any further details of their experience other than that shown in the list of directors and the Notice of Annual General Meeting.

In the opinion of the Board, the directors as a whole have the appropriate balance of skills and experience necessary to ensure that the Group is managed for the long-term benefit of all stakeholders.

Internal control systems

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems are designed to meet the particular needs of the operating company concerned bearing in mind the resources available and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the directors have established with a view to providing effective internal control are set out below.

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decisions by the Board which covers the key areas of the Group's affairs, including dividend policy, acquisitions and divestment policy, approval of budgets, capital expenditure, major buying and selling contracts and general treasury and risk management policies. There is a clearly decentralised structure which delegates authority, responsibility, and accountability, including responsibility for internal financial controls, to management of the operating companies.

Responsibility levels and delegation of authority and authorisation levels throughout the Group are set out in the Group's corporate accounting and procedures manual.

There is a comprehensive system for reporting financial results. Monthly accounts are prepared on a timely basis. They include income statement, balance sheet, cash flow and capital expenditure reporting with comparisons to budget and forecast. The budget is prepared annually and revised forecasts are provided monthly.

There is an investment evaluation process to ensure Board approval for all major capital expenditure commitments.

There is also a contract evaluation process to ensure directors approval for all major sales contracts.

QCA Code

Details of how the Company has addressed the ten principles of the QCA Code in compliance with AIM Rule 26 are set out below:

1 Establish a strategy and business model which promotes long-term value for shareholders

The Board sets the Group's strategic direction and is responsible to MSI's shareholders for the long term success of the Group. The Group's long-term strategy is to invest in people, products, and processes to seek continuous improvement and deliver growth within its four diverse operating divisions, 'Defence and Security', 'Forgings', 'Petrol Station Superstructures' and 'Corporate Branding', each holding a leading position in its specialist market. Ultimately, the Group aims to drive long-term value for shareholders and improve share price performance by ensuring that all strategic decisions are underpinned by this goal.

2 Promote a corporate culture that is based on ethical values and behaviours

The Group's four operating divisions hold leading positions within their specialist markets and have long-standing reputations as being highly competent and professional organisations with innovation and quality being integral to this. This reputation has been established over many years through leadership and the reinforcement of ethical principles by directors, managers, and employees.

The Group's employment policies, such as Whistleblowing and Anti-Bribery and Corruption assist in setting a culture of ethical behaviour throughout the Group.

3 Seek to understand and meet shareholder needs and expectations

The shareholding structure of the Company is set out on the 'Securities' page on the Company's website: msiplc.com/securities. The composition of the shareholders, including the directors, is currently primarily weighted towards private investors, with one significant institutional shareholder.

The AGM is the main forum for dialogue and discussion with private investors and the Board. The directors routinely attend the AGM and are available to answer any questions raised by shareholders. Shareholders can engage with the Company between AGMs by contacting the Company Secretary, Shelley Ashcroft (shelley.ashcroft@msiplc.com). The Board also contacts significant institutional investors as and when appropriate.

Corporate governance statement

Continued

QCA Code (continued)

4 Take into account wider stakeholder needs and expectations

The Group is aware of its corporate social responsibilities and the need to maintain effective relationships with all of the stakeholders in the business including shareholders, employees, customers, suppliers and regulatory authorities. The Group's operations, processes, and procedures are monitored and adapted to take account of changing stakeholder relationships whilst maintaining focus on the Board's strategic objective of delivering value over the medium to long-term for the benefit of all stakeholders.

The Board aims to do what is in the best interests of the Company and seeks to maintain the highest standards of integrity in the conduct of the Group's operations.

The requirement for regular disclosure of directors' other interests and compliance to share dealing regulations all require high standards of behaviour.

Through the various procedures and processes the Group has adopted, each diverse operating division ensures compliance with the health and safety and environmental legislation applicable to each division.

5 Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board reviews the effectiveness of the system of internal controls, and together with operational management, identifies and evaluates the critical business and financial risks of the Group. These risks are reviewed continually by both the directors and operational and divisional management. Where appropriate, action is taken to manage risks facing the business.

The Group's corporate governance environment and its embedded procedures and systems will be updated and adapted to future changes in stakeholder relationships when considered appropriate by the Board.

6 Maintain the Board as a well-functioning, balanced team led by the chair

As at 30th April 2025, the Board of Directors comprised four executive directors, Micheal Bell, Michael O'Connell, Nicholas Bell and Shelley Ashcroft and two non-executive directors, Roger Lane-Smith and David Hansell. All directors served throughout the year, with the exception of Shelley Ashcroft who was appointed on 1st January 2025.

The Board has two established committees, Audit Committee and Remuneration Committee, both of which are chaired by Roger Lane-Smith with the support of David Hansell as non-executive director. The Board as a whole operates as the Nominations Committee as and when required.

Details of how the Board functions and its members are included in the 'The Board' section of this Corporate Governance statement.

The Group acknowledges that the QCA recommends having half the board comprised of non-executive directors. Currently, this is not the case with six board members, only two of which are non-executive. This will be considered in the upcoming financial year.

7 Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities

Details of the directors' experience, skills and capabilities can be found in the 'Board experience, skills, and evaluation' section of this Corporate Governance report.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

While there is no formal evaluation process in place, the Group's adopts a continuous and ongoing approach to the evaluation of the Board's effectiveness. The Chairman periodically meets with executive and non-executive directors to discuss their performance and ensure that their respective contributions remain effective.

The Board recognises that the QCA recommends a formal review and as such will consider engaging an external party to do so in the upcoming financial year.

8 Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board maintains corporate governance policies and processes that are appropriate to the size and structure of the Group. The responsibility for corporate governance rests with the Board as a whole, with the Chairman assuming principal responsibility, which it discharges directly, through its Committees and the management structure.

The Board of Directors holds a minimum of four scheduled meetings per year to which all directors attend. The board also meets periodically to discuss strategic decisions or holds ad hoc discussions on particular issues, which are not recorded as formal board meetings. It is the Board's responsibility to formulate, review and approve the Group's strategy, budgets, capital expenditure, research and development, and major contract bids.

Corporate governance statement

Continued

QCA Code (continued)

8 **Maintain governance structures and processes that are fit for purpose and support good decision making by the Board (continued)**

The executive directors receive detailed monthly reports from each of the divisional senior managers, which summarise both commercial and financial matters. Executive directors also attend meetings with subsidiary management on a regular basis, particularly in the 'Defence and Security' division where meetings are held in Norwich each month. This allows for effective two way communication between the board and its divisions, ensuring that all levels of management are aligned in the pursuit of the group's strategic objectives and providing an environment in which effective decision making at subsidiary level is supported with appropriate oversight from the group board.

9 **Ensure that the remuneration policy aligns with the company's purpose, strategy and culture**

The Group's employees are integral to driving the long-term success of the business, driving growth, and delivering value for shareholders. Their hard work, dedication and commitment to the business is rewarded by competitive rates of pay with performance related pay for certain employees.

Senior managers and divisional directors participate in the MSI Senior Managers Bonus Scheme, which sets yearly targets upon which performance related pay is measured. They have also been granted share options within MSI's CSOP scheme to ensure that their efforts align with creating shareholder value.

At a Board level, the bonuses of the executive directors are linked to profit and participation in the LTIP and CSOP share option schemes offers another means of aligning to strategic objectives of the Group.

It is the opinion of the Remuneration Committee that the remuneration policy has supported the delivery of the Group's strategy, and has focused the management team on delivering strong financial and operational performance both in the short and long term.

The Committee has decided to conduct an independent review of the executive directors' basic salaries, bonus scheme and remuneration packages and will look to engage an independent advisors in the upcoming financial year.

10 **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Board communicates its corporate governance policies through the Annual Report and through the Group website (www.msiplc.com).

The AGM is the main forum for dialogue and discussion with private investors and the Board. The Notice of Annual General Meeting is sent to shareholders at least 21 days before the meeting and all of the directors routinely attend the AGM and are available to answer any questions raised by shareholders. The results of each AGM are published on the website and by way of an RNS when the meeting has concluded. Copies of notice of meetings and Annual Reports from the last five years are kept on the Company's website.

Shareholders can engage with the Company between AGMs by contacting the Company Secretary, Shelley Ashcroft (shelley.ashcroft@msiplc.com). The Board also contacts significant institutional investors as and when appropriate.

Audit Committee report

Committee governance

Roger Lane-Smith and David Hansell were members of the Audit Committee throughout the year under review, with Roger Lane-Smith serving as Chairman. Both have considerable experience in senior financial and commercial operational roles with extensive knowledge of the Group's operations, related financial risks and internal control.

The committee meets three times a year. The meetings are held with the external auditor at which representatives of the Group's financial management team are present.

Key responsibilities

The committee is required to:

- Monitor the integrity of the Group's financial statements and external announcements of both the interim and full year results;
- Advise on the clarity of disclosures and information contained in the Annual Report and accounts;
- In conjunction with the Group's Executive Board and external auditor, ensure compliance with applicable accounting standards and the consistency of methodologies applied;
- Review the adequacy and effectiveness of the Group's internal control and risk management systems;
- Oversee the relationship with the external auditors, review their performance and independence, and advise the Board on their appointment and remuneration.

The Audit Committee has undertaken the following during the year under review:

Internal control and risk management

The Audit Committee has worked with the Board in the continued evaluation of the critical business and financial risks of the Group and where appropriate supported actions to manage the risks facing the business.

External audit

The services performed by Grant Thornton UK LLP relate only to the Group's external audit and the review of the Group's Interim Report. All other non-audit work is performed by independent accountancy firms which will enhance the Group's governance.

The Audit Committee has reviewed the services provided and work undertaken by Grant Thornton UK LLP and is satisfied with their performance in carrying out and completing the external audit.

There is no formal policy in respect of the rotation of the external auditor. This will be reviewed and taken into consideration if the AIM listed company rules are changed so that the rotation of the external auditor becomes a requirement.

Significant reporting issues and judgements

The Audit Committee considered whether the 2025 Annual Report is fair, balanced, and understandable and whether it provides the necessary information for shareholders and other stakeholders to assess the Group's financial performance, business model and strategy.

The committee was satisfied that, as a whole, the 2025 Annual Report met these requirements.

The key issues and accounting policies considered by the Audit Committee in relation to the 2025 Annual Report were:

- The revenue recognition of contract accounting.
- Management override of controls

The Audit Committee has assessed these specific issues and is satisfied that the methodologies adopted in the Annual Report are appropriate and satisfy the relevant IFRS standards.

Roger Lane-Smith

Chairman

Audit Committee

27th June 2025

Report of the directors

The directors present their report together with the Group financial statements for the year ended 30th April 2024. The directors present their Corporate governance statement on pages 74 to 77 of this report.

1 Principal activities and business review

The principal activities of the divisions within the Group are:

- ‘Defence and Security’: the design and manufacture of defence equipment.
- ‘Forgings’: the manufacture of fork-arms and open die forgings
- ‘Petrol Station Superstructures’: the design, manufacture, and construction of petrol station superstructures
- ‘Corporate Branding’: the design, manufacture, installation, and service of corporate branding, including media facades, way-finding signage, public illumination, creative lighting solutions, and the complete appearance of petrol station superstructures and forecourts.

The Group has subsidiary companies in overseas locations but the Company does not have any overseas branches.

A review of the Group’s trading, performance and future prospects are contained in the Chairman’s statement and Strategic report on pages 3 to 5 and 8 to 13.

2 Results and dividends

The profit for the year attributable to shareholders amounted to £14,531,000 (2024 – £11,500,000). The directors recommend a final dividend of 18 pence per share (2024 – 16.5 pence per share), making a total of 23 pence per share (2024 – 19.5 pence per share).

3 Going concern

The financial statements have been prepared on a going concern basis. The Group’s business activities, together with factors likely to affect its future development, performance, and position are set out in the Chairman’s statement and Strategic report on pages 3 to 5 and 8 to 13.

At 30th April 2025, the Group held cash and cash equivalents of £23.75m with a further £4.04m of restricted cash held in an Escrow account maturing in greater than 90 days. The Group also has a number of large long-term contracts and a good orderbook. As such, the directors are satisfied that the Group has sufficient liquidity to meet both its current liabilities and future working capital requirements.

The performance of the Group is dependent on a number of external factors and the wider economic and political environment. The changing political landscape, the cost and supply of raw materials and the introduction of tariffs are among the biggest challenges and uncertainties facing the Group. However, management remain vigilant and are regularly monitoring the impact of these external factors in order to mitigate any impact upon the business.

The Board has a reasonable expectation that the Company and its Group has adequate resources for a period of 12 months from the date of approval of the financial statements. Forecasts have been prepared up to 31st October 2026, which the directors believe reflect a reasonable expectation, based on the information available at the date of signing these financial statements. There are no events or conditions identified that would lead to a longer period of assessment, and therefore management have assessed that the going concern basis of accounting is appropriate in preparing the financial statements and that there are no material uncertainties to disclose.

In addition, management have carried out reverse stress tests to 31st October 2026 under various scenarios, all of which are considered severe but implausible by management. In all tested scenarios, the Group would continue as a going concern throughout the assessment period.

As a result, in making the going concern assessment the directors consider there to be no material uncertainties that could cast significant doubt on the Group’s ability to continue to operate as a going concern. They believe that the Group has sufficient financial resources with an orderbook that allows the Group to continue operating for the foreseeable future, being at least to 31st October 2026. As a result, the directors continue to adopt the going concern basis of accounting in preparation of these financial statements.

4 Financial risk management and exposure

The main financial risks faced by the Group include currency risks, funding risks, interest rate risks, and credit risks. Details of these exposures can be found in note 28 to the financial statements.

Report of the directors

Continued

5 Research and development

During the year the Group has incurred research and development costs of £2,443,000 (2024 – £1,174,000).

6 Post balance sheet events

There are no material post balance sheet events to note.

7 Directors

The names of the directors of the Company at 27th June 2025 are shown on page 6.

All of the directors served throughout the year and up to the date of this report, with the exception of Shelley Ashcroft who was appointed as Group Finance Director on 1st January 2025.

8 Substantial interests in shares

The directors had been advised of the following notifiable interests:-

	% of share capital held at 30th April, 2025	% of share capital held at 27th June 2025
Michael Bell	18.2%	18.2%
Ms Adrienne Bell	15.4%	15.4%
David Pyle	10.0%	10.0%
Stonehage Fleming Investment Management	7.1%	6.8%
Michael O'Connell	6.6%	6.6%

Apart from these, the directors have not been formally notified of any other notifiable shareholdings in excess of 3% of share capital held on 27th June 2025.

9 Employee involvement

The directors have continued their commitment to the development of employee involvement and communication throughout the Group.

Regular meetings are held with employees to provide and discuss information of concern to them as employees, including financial and economic factors affecting the performance of the Company in which they are employed.

10 Employment of disabled persons

The policy of the Group is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement. Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who may become disabled, to promote their career development within the organisation.

11 Stakeholder engagement

Stakeholders are those groups likely to be affected by the actions of a company, or whose actions can affect the operation of the company. Details on stakeholder engagement can be found within the General duties of directors section of the Strategic report.

12 Carbon and energy reporting

As an AIM listed company, MS INTERNATIONAL plc has to report on its UK energy usage and carbon emissions. This includes all companies within the Group that reside in the United Kingdom.

Energy consumption in the UK includes electricity, natural gas, LPG, production gases, and fuel for transport directly purchased by the Group within the UK.

The total UK energy use for the base year, being the year ended 30th April 2024, and the financial year ended 30th April 2025 were collated in kilowatt hours and converted to tCO_{2e} using government 2024 standard conversion factors published on 8th July 2024. In the year ended 30th April 2024 5.27m kilowatt hours were consumed within the UK, which is the equivalent of 1,119 tonnes of CO₂ emissions. In the year ended 30th April 2025 the number of

Report of the directors

Continued

12 Carbon and energy reporting (continued)

kilowatt hours consumed within the UK has reduced by 0.19m to 5.08m. Similarly, there has also been an overall reduction in CO₂ emissions of 102 tonnes during the year to 1,017 tonnes of CO₂ emissions. This is mainly as a result of reductions in the use of LPG and transport of 4 tonne and 318 tonne respectively.

The Company has adopted CO₂ tonnes consumed per £ of UK sales as its key energy intensity ratio. The ratio has reduced from 12.13 CO₂ tonnes per £1m of UK sales in the year ended 30th April 2024 to 9.84 CO₂ tonnes per £1m of UK sales in the year ended 30th April 2025.

As a result of ongoing energy reduction plans and efficiency improvements, consumption measured in tCO₂e has reduced by 18.9%, despite an increase in UK sales of 11.9%. This reduction is partly due to changes in the sales mix with revenue in the 'Defence and Security' division, which is less energy intensive than that of 'Forgings', forming a larger proportion of the overall UK revenue. There have also been a number of energy saving projects undertaken at both the Doncaster and Norwich sites. Solar panels at both sites are now fully operational, allowing the factories to draw on green energy during sunlight hours with any surpluses being fed back into the National Grid. The solar panels at Doncaster have generated 424,049 kwh of which 158,800 surplus kwh have been transferred back to the National Grid.

At the Doncaster site energy efficiency projects have focussed on making improvements to factory processes as well as monitoring these processes that overall has reduced energy consumption, minimised waste and therefore reduced the environmental impact. The installation of Programmable Logics Controllers (PLCs) on machinery and equipment has allowed real time monitoring and control of processes. The PLCs collect and analyse data in order to monitor usage and identify potential areas of improvement. For example, all hydraulic power packs for bending forks are now PLC controlled and are only powered up when the press is bending, all hydraulic power packs for calibration are controlled by a foot switch to be powered when the operator is calibrating, and the agitation pump on quench tanks are PLC controlled so that it pumps only when the fork is being quenched. In addition, there is now local monitoring of gas, electrical and water supplies throughout 'Forgings' and 'Petrol Station Superstructures' divisions on the Doncaster site, as well as LED lighting throughout the Doncaster factories.

At the Norwich site, there has been a significant increase in manufacturing capacity following the opening of a new production facility, which has ultimately increased overall consumption at the site. However, ongoing projects to improve the energy efficiency in the buildings have continued, including the replacement of sodium halide and fluorescent lighting with LED lighting. Across both sites the use of video conferencing has reduced the number of journeys taken.

The planned energy saving projects for the year commencing 1st May 2025 include further improving electricity monitoring which will allow the Company to identify energy output and highlight energy saving opportunities at both UK sites. In Norwich, an expansion of the solar panel provision is being evaluated as well as the installation of control panels on gas heaters. In addition, hybrid and fully electric vehicles will continue to be purchased to replace existing company owned vehicles where practical.

13 Additional information for shareholders

On 11th July 2024 the Company purchased 300,000 of its ordinary shares of 10p each at a price of £11.00 per share for a total consideration of £3,300,000. On 6th September 2024 the Company purchased a further 115,000 of its ordinary shares of 10p each at a price of £9.90 per share for a total consideration of £1,139,000. The Company satisfied 85,003 share options exercised by certain employees by way of transfer from the Company's treasury share holding for a total consideration of £120,000. Further details can be found in Note 23 to the Accounts.

The following provides the additional information required for shareholders as a result of the implementation of the Takeover Directive into UK Law.

At 27th June 2025 the Company's issued share capital comprised:

	Number	£'000	% of total share
Ordinary shares of 10p each	17,841,073	1,784	100.0
Ordinary shares of 10p each held in treasury	1,667,323	167	9.3
Ordinary shares of 10p each not held in treasury	16,173,750	1,617	90.7

The above figure (16,173,750 ordinary shares of 10p) is the number of ordinary shares to be used as a denominator for the calculation of a shareholder's interest for the determination of any notification requirement in respect of their interest(s) or change of interest(s).

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and for voting rights.

Report of the directors

Continued

13 Additional information for shareholders (continued)

Ordinary shares

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the general meeting specifies deadlines for exercising voting rights either by proxy notice or present in person or by proxy in relation to resolutions to be passed at general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws and market requirements relating to close periods); and
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's securities.

The Company's Articles of Association may only be amended by a special resolution at a general meeting of the shareholders. Directors are reappointed by ordinary resolution at a general meeting of the shareholders. The Board can appoint a director but anyone so appointed must be elected by an ordinary resolution at the next general meeting.

Any director, other than the Chairman, who has held office for more than three years since their last appointment must offer themselves up for re-election at the annual general meeting.

Company share schemes

The Employee Share Ownership Trust holds 0.04% of the issued share capital of the Company (excluding treasury shares) in trust for the benefit of employees of the Group and their dependants. The voting rights in relation to these shares are exercised by the trustee.

Change of control

The Company has in place a phantom award in respect of 100,000 notional options, exercisable at nil value in the event of a future change of control in the Company (note 32). There are no further agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

There are no agreements between the Company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

14 Special business at the Annual General Meeting

Resolution 9: Purchase by the Company of its own shares

Resolution 9, which will be proposed as a special resolution renews a similar authority given at last year's AGM. If passed, it will allow the Company to purchase up to 1,617,375 ordinary shares in the market (which represents approximately 10 per cent of the issued ordinary share capital of the Company excluding treasury shares) as at 27th June 2025. The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on 27th October 2026 whichever is the earlier. It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 9 to make market purchases.

The Company is permitted to hold shares in treasury as an alternative to cancelling them. Shares held in treasury may be subsequently cancelled, or sold for cash or used to satisfy options under the Company's share schemes. While held in treasury, the shares are not entitled to receive any dividends or dividend equivalents (apart from any issue of bonus shares) and have no voting rights. The directors believe it is appropriate for the Company to have the option to hold its own shares in treasury, if, at a future date, the directors exercise this authority in order to provide the Company with additional flexibility in the management of its capital base. The directors will have regard to institutional shareholder guidelines which may be in force at the time of such purchase, holding or re-sale of shares held in treasury. At 27th June 2025, the Company holds 1,667,323 ordinary shares of 10p each in treasury which represents 8.5% of the total number of ordinary shares of 10p each issued.

Report of the directors

Continued

14 Special business at the Annual General Meeting (continued)

Resolution 10: Notice period for general meetings

Resolution 10 will be proposed as a special resolution to allow the Company to call general meetings (other than an AGM) on 14 clear days notice.

Changes made to the 2006 Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days notice.

Before the Regulations came into force, the Company was able to call general meetings other than an AGM on 14 clear days notice without obtaining shareholder approval. Resolution 10 seeks such approval in order to preserve this flexibility. The shorter notice period would not however be used as a matter of routine for such meetings, but only where it is merited by the business of the meeting and is considered to be in the interests of shareholders as a whole. If given, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

Note that the changes to the 2006 Act mean that, in order to be able to call a general meeting on less than 21 clear days notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

15 Auditor

Resolutions to reappoint the auditor, Grant Thornton UK LLP, and authorise the directors to determine the remuneration of the auditor, will be proposed at the Annual General Meeting.

16 Directors' indemnities

Directors' and officers' insurance is in place for all directors to provide cover for their reasonable actions on behalf of the Group. No further directors' indemnities are in place.

17 Directors' statement as to disclosure of information to auditors

The directors who were members of the Board at the time of approving the Report of the directors are listed on page

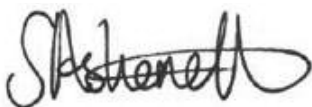
● Having made enquiries of fellow directors and of the Company's auditors, each of the directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

18 We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the business review, together with the Chairman's statement, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board,



Shelley Ashcroft
Group Finance Director

27th June 2025

Remuneration Committee report

Committee governance

Roger Lane-Smith and David Hansell were members of the Remuneration Committee throughout the year under review, with Roger-Lane Smith serving as Chairman. Both have considerable experience in senior financial and commercial operational roles with extensive knowledge of the Group's operations.

The committee meets as required, with only one meeting being held during the financial year.

Key responsibilities

The committee has the responsibility for making recommendations to the Board on the remuneration packages, including share option schemes and bonuses, of each executive director.

Review of directors' remuneration packages

The Remuneration Committee believes that the current basic salaries and bonus award system for the executive directors remain appropriate, and no changes were proposed.

On 1st January 2025 Shelley Ashcroft was appointed as Group Finance Director with a salary of £210,000 p.a.

The Remuneration Committee has approved the award of bonuses in line with the executive directors' bonus scheme rules. Total bonus to be paid to the executive directors for the year ended 30th April 2025 amounts to £1,784,211.

Share options

There are currently two share options plans in place in which the executive directors hold share options: MS INTERNATIONAL plc Long Term Incentive Plan (LTIP) and MS INTERNATIONAL plc Company Share Option Plan (CSOP).

In April 2020 two executive directors were granted a combined total of 500,000 shares at an exercise price of £nil under the LTIP scheme. These options are exercisable in two equal amounts at two and three years after the date of grant, subject to meeting a share price performance target of £3 per share for 90 consecutive days, which was achieved on 13th November 2022. Following the exercise of 100,000 LTIP shares in the prior year, a further 100,000 were exercised during the year ended 30th April 2025. At the reporting date, 50,000 LTIP shares are still outstanding, all of which are currently exercisable.

In April 2020 four executive directors were granted a total of 80,000 tax advantaged share options and 190,000 non-tax advantaged share options under the CSOP scheme at a price of £1.41. This includes 20,000 share options granted to Shelley Ashcroft prior to her appointment as director. The options are exercisable in three equal instalments at three, four and five years after the date of grant. The non-tax advantaged share options were subject to meeting a share price target of £2 per share for 90 consecutive days, which was achieved on 29th October 2021. The tax advantaged share options were not subject to share price performance targets. During the year, 38,334 CSOP share options were exercised by three executive directors, of which 20,001 were tax-advantaged and 18,333 were non-tax advantaged. Shelley Ashcroft exercised 6,667 share options during the year, all of which were exercised prior to her appointment as director.

In October 2023 16,600 tax-advantaged CSOP share options were granted to four executive directors at a price of £7.20 per share. This includes 4,150 share options granted to Shelley Ashcroft prior to her appointment as director. These options are not subject to a share price performance target and are exercisable in three equal instalments at three, four and five years after the date of grant. None of these share options are currently exercisable.

At the reporting date a total of 250,747 CSOP shares were outstanding, of which 229,997 are exercisable.

Roger Lane-Smith

Chairman

Remuneration Committee

27th June 2025

Directors' remuneration report

Information subject to audit

The Directors' remuneration report has been presented in accordance with the requirements of the Companies Act 2006 in relation to quoted companies.

Policy on remuneration of executive directors

The Remuneration Committee currently comprises Roger Lane-Smith and David Hansell. It aims to ensure that remuneration packages and service contracts are competitive and are designed to retain, attract, and motivate executive directors of the right calibre.

The salary for each director is determined by the Remuneration Committee by reference to a range of factors including experience appropriate to the Group, length of service, and salary rates for similar jobs in comparative companies. In view of the size and nature of the Group and the continuing need to optimise subordinate management structures particular emphasis is given to the advantages which flow from the long-term continuity of the executive directors. The contracts of service are reviewed from time to time and consideration given to whether any amendment is appropriate. The Remuneration Committee has not sought any external advice during the year.

The main components of the remuneration package for the executive directors are as follows:-

Basic salary	Salaries for executive directors are reviewed annually by the Remuneration Committee. Salaries for Michael Bell, Michael O'Connell and Nicholas Bell were last amended in November 2022, with increases being in effect from 1st May 2022. The salary of Shelley Ashcroft was reviewed on her appointment to the Board on 1st January 2025.
Performance related annual bonus	<p>An annual bonus is paid to executive directors upon the achievement of profitability targets based on two separate schemes. Total bonus payments achieved for the year ended 30th April 2025 under both schemes amounted to 125.6% (2024 - 123.3%) of total executive basic salaries.</p> <p>Under the first scheme, in which three executive directors participate, the Remuneration Committee consider the £73,000 loss in relation to derivative instruments recognised in the Consolidated income statement to be outside of the definition of "usual working and management expenses and outgoings" as set out in clause 1.2 of the executive directors' bonus scheme. In addition, it was agreed to cap to the total bonus payable under this scheme to £2,000,000. Consequently, the bonus for the directors for the year ended 30th April 2025 has been based on an adjusted Group profit before taxation of £15,261,000.</p> <p>Under the second scheme, in which one executive director participates, the bonus for the year ended 30th April 2025 has been based on Group profit before taxation of £20,050,000. A discretionary bonus has also been awarded.</p>
Share options	<p>Executive directors are eligible to participate in the MS INTERNATIONAL plc Long Term Incentive Plan (LTIP) and the MS INTERNATIONAL plc Company Share Option Plan (CSOP). The Remuneration Committee is responsible for granting options.</p> <p>In April 2020 500,000 share options were granted to two executive directors under the terms of the LTIP share scheme at an exercise price of £nil per share and 250,000 share options were granted to three executive directors under the terms of the CSOP share scheme at an exercise price of £1.41 per share. In addition, 20,000 CSOP share options were granted to Shelley Ashcroft in April 2020, prior to her appointment as director.</p> <p>In October 2023 a further 12,450 share options were granted to three executive directors under the terms of the CSOP scheme at an exercise price of £7.20 per share. In October 2023 4,150 share options under the CSOP scheme were also granted to Shelley Ashcroft, prior to her appointment as director.</p> <p>As at 30th April 2025 there were 50,000 LTIP share options outstanding and 250,747 CSOP share options outstanding</p>
Pension contributions	Pension contributions are calculated as a percentage of basic pay and bonus only. The executive directors have full discretion as to how they choose to invest their pension contributions. All pension contributions for executive directors over the age of 65 ceased from 30th April 2015.
Other benefits	Other benefits are provided in the form of company cars, death in service benefit cover, and medical and disability insurance.

Directors' remuneration report

Continued

Information subject to audit

Non-executive directors

The level of the non-executive directors' remuneration has been determined by the Board as an annual fee and is paid monthly. The Board takes into account any proposals made by the Remuneration Committee in determining the annual fee for non-executive directors. There are no formal service contracts between the Company and any of the non-executive directors.

In October 2023 the Group has granted a phantom award in respect of 100,000 notional options, exercisable at nil value, to Roger Lane-Smith. The Company has granted this award to Roger Lane-Smith to reflect his significant contribution to the Board, and the Company's progress and international development, and in order to retain and incentivise future service to the Company. The phantom award will be cash settled in reference to the share price on the date of exercise. The vesting of the phantom option is subject to continued service and will only vest in the event of a future change of control in the Company. The awards will lapse if they have not vested within 10 years of grant.

Emoluments of directors

Directors' remuneration in respect of the year to 30th April 2025.

	Basic salary and fees		Additional salary		Other benefits		Bonus		Share option gain		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£	£	£	£	£	£	£	£	£	£	£	£
Michael Bell	600,000	600,000	-	-	16,593	63,409	842,105	831,980	550,436	391,268	2,009,134	1,886,657
Michael O'Connell	400,000	400,000	-	-	10,298	11,008	421,053	415,990	595,187	396,435	1,426,538	1,223,433
Nicholas Bell	350,000	350,000	-	-	8,652	8,802	421,053	415,990	239,750	111,629	1,019,455	886,421
Shelley Ashcroft (*)	70,000	-	-	-	346	-	100,000	-	-	-	170,346	-
David Hansell	75,000	75,000	138,700	138,700	1,502	1,480	-	-	-	143,500	215,202	358,680
Roger Lane-Smith	100,000	100,000	180,000	105,000	-	-	-	-	-	-	280,000	205,000
Total	1,595,000	1,525,000	318,700	243,700	37,391	84,699	1,784,211	1,663,960	1,385,373	1,042,832	5,120,675	4,560,191

In addition to their roles as non-executive directors, David Hansell and Roger Lane-Smith have carried out additional services during the year for the 'Defence and Security' division and Group respectively. Their remuneration during the year for these services is shown as additional salary.

Other benefits represent the provision of company cars, death in service benefit, and medical and disability insurance.

(*) Shelley Ashcroft started her role as director on 1st January 2025, with the appointment at Companies House being 21st January 2025.

Pension contributions

	2025	2024
	Total	Total
	£	£
Michael Bell	-	-
Michael O'Connell	-	-
Nicholas Bell	115,658	114,899
Shelley Ashcroft	17,000	-
Roger Lane-Smith	-	-
David Hansell	-	-
Total	132,658	114,899

Directors' remuneration report

Continued

Information subject to audit

Share options

(a) Equity settled share options

The directors have the following outstanding interests in share options granted in the Long Term Incentive Plan and Company Share Option Plan:

Director	Date granted	Long Term Incentive Plan			Company Share Option Plan			WAEP	Total	
		Exercise Price	Number Outstanding	Number exercisable	Exercise Price	Number Outstanding	Number exercisable		Number Outstanding	Number exercisable
Michael Bell	30th April 2020	£0.00	50,000	50,000	£1.41	86,666	86,666	£0.89	136,666	136,666
	31st October 2023	–	–	–	£7.20	4,150	–	£7.20	4,150	–
Michael O'Connell	30th April 2020	£0.00	–	–	£1.41	61,666	61,666	£1.41	61,666	61,666
	31st October 2023	–	–	–	£7.20	4,150	–	£7.20	4,150	–
Nicholas Bell	30th April 2020	–	–	–	£1.41	24,999	24,999	£1.41	24,999	24,999
	31st October 2023	–	–	–	£7.20	4,150	–	£7.20	4,150	–
David Hansell *	30th April 2020	–	–	–	£1.41	50,000	50,000	£1.41	50,000	50,000
	31st October 2023	–	–	–	£7.20	4,150	–	£7.20	4,150	–
Shelley Ashcroft	30th April 2020	–	–	–	£1.41	6,666	6,666	£1.41	6,666	6,666
	31st October 2023	–	–	–	£7.20	4,150	–	£7.20	4,150	–
Total		£nil	50,000	50,000	£1.76	250,747	229,997	£1.10	300,747	279,997

* in relation to his additional executive duties carried out on behalf of the 'Defence and Security' division.

All outstanding share options granted under the Long Term Incentive Plan ("LTIP") are fully exercisable after meeting the share price performance target of £3 per share for 90 consecutive days on 13th November 2022. During the year, 100,000 (2024 – 100,000) LTIP share options were exercised at an exercise price of £nil, leaving a further 50,000 (2024 – 150,000) LTIP options outstanding.

The share options granted under the Company Share Option Plan ("CSOP") are either tax-advantaged or non-tax advantaged, with the later being subject to a share price performance target of £2 per share which was achieved on 29th October 2021. During the year 38,334 (2024 – 63,335) CSOP share options were exercised by the directors at a price of £1.41 per share and none were granted (2024 – 16,600). A total 250,747 (2024 – 428,265) CSOP share options remain outstanding at 30th April 2025, of which 229,997 (2024 – 153,336) are exercisable.

(b) Cash settled share options

The directors have the following outstanding interests in cash settled share options.

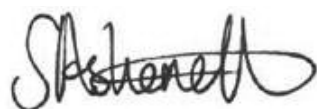
Director	Date granted	Exercise Price	Number granted	Number exercisable
Roger Lane-Smith	31st October 2023	£nil	100,000	–
Total		£nil	100,000	–

The vesting of the cash settled share options is subject to continued service and the options will only vest in the event of a future change of control in the Company. The awards will lapse if they have not vested within 10 years of grant.

QCA code

The Remuneration Committee is of the opinion that the disclosures required by the code are contained within this report.

By order of the Board,



Shelley Ashcroft
Group Finance Director

27th June 2025

List of subsidiaries

Continued

(1) Principal operating subsidiaries by division

Company	Registered address	Description	Country of incorporation
'Defence and Security'			
MSI-Defence Systems Ltd.	Salhouse Road, Norwich, NR7 9AY England	Design, manufacture and service of defence equipment.	England & Wales
MSI-Defence Systems US LLC	1298 Galleria Boulevard, Rock Hill, SC 29730 USA	Design, manufacture and service of defence equipment.	USA
'Forgings'			
MSI-Forks Ltd.	Balby Carr Bank, Doncaster, DN4 8DH England	Manufacture of fork-arms for the fork lift truck, construction, agricultural and quarrying equipment industries.	England & Wales
MSI-Quality Forgings Ltd.	Balby Carr Bank, Doncaster, DN4 8DH England	Manufacture of open die forgings.	England & Wales
MSI-Forks LLC	1298 Galleria Boulevard, Rock Hill, SC 29730 USA	Manufacture of fork-arms for the fork lift truck, construction, agricultural and quarrying equipment industries.	USA
MSI-Forks Garfos Industriais Ltda.	Rua Professor Campos de Oliveira, 310 São Paulo Brazil	Manufacture of fork-arms for the fork lift truck, construction, agricultural and quarrying equipment industries.	Brazil
'Petrol Station Superstructures'			
Global-MSI plc	Balby Carr Bank, Doncaster DN4 8DH England	Design, manufacture and construction of petrol station superstructures.	England & Wales
Global-MSI Sp. z o.o.	Ul. Działowskiego 13, 30-339 Krakow Poland	Design, manufacture and construction of petrol station superstructures.	Poland
'Corporate Branding'			
MSI-Sign Group B.V.	De Hoef 8 5311 GH Gameren The Netherlands	The design, manufacture, installation and service of corporate branding, including media facades, way-finding signage, public illumination, creative lighting solutions and the complete appearance of petrol station superstructures.	The Netherlands
MSI-Sign Group GmbH	Wohlenbergstrasse 6 30179 Hannover, Germany	Design, restyling, production and installation of the complete appearance of petrol station superstructures and forecourts.	Germany
Petrol Sign Ltd.	Balby Carr Bank, Doncaster DN4 8DH England	Design, restyling, production and installation of the complete appearance of petrol station superstructures and forecourts.	England & Wales

List of subsidiaries

(1) Principal operating subsidiaries by division (continued)

'Estates'

MS INTERNATIONAL Estates Ltd.	Balby Carr Bank, Doncaster DN4 8DH England	Property holding company of the Group's UK properties.	England & Wales
MS INTERNATIONAL Estates LLC	1298 Galleria Boulevard, Rock Hill, SC 29730 USA	Property holding company of the Group's USA property.	USA

NOTES

1. 100% of the ordinary shares are held in all cases.

(2) Non-trading subsidiaries

Conder Ltd.
Global-MSI (Overseas) Ltd.
M D M Investments Ltd.
Mechforge Ltd.
MS INTERNATIONAL USA Inc
MSI – Petrol Sign Ltd.
Petrol Sign – MSI Ltd.

NOTES

1. 100% of the ordinary share capital of each entity is held in all cases.
2. All non-trading companies are registered in England and Wales with the exception of MS INTERNATIONAL USA Inc, which is registered in the USA.
3. All companies are dormant and non-operating, with the exception of MDM Investments Ltd, which is the trustee company of the MS INTERNATIONAL plc Retirement and Death Benefits Scheme and MS INTERNATIONAL USA Inc, which is a holding company for the trading companies within the USA.

