

Chairman's Statement

Results and Review

A year ago, in my Chairman's Statement, I stated that we were approaching 'very interesting times'. At that juncture, we were reasonably confident of making good progress throughout the coming year, although it later became evident that global, political and economic uncertainty was gathering momentum and our businesses would not be immune from its effects, as evidenced in our half year results.

What we could not foresee was the advent of the 'Covid-19' pandemic and the devastating effects that it would have on the whole global economy, let alone our diverse businesses. The imposed restrictions on movement in terms of personnel and goods seriously impacted both our national and widespread international trading activities.

Nevertheless, our commitment to research and development across our 'Defence' business continued unabated. During the period we expended some £2.00m (2019 - £0.96m) on expanding our portfolio of small/medium calibre naval and land based stabilised weapon systems.

I am however, bitterly disappointed to report a loss before taxation for the year ending 30th April 2020, amounting to £3.25m (2019 - profit £4.79m) and a loss per share of 15.1p (2019 - profit per share 23.1p) on revenue of £61.15m (2019 - £77.71m). Notwithstanding, the all-important balance sheet has remained strong with cash at a very healthy £16.30m (2019 - £22.89m) and no borrowings, excluding lease liabilities.

Outlook

Whilst prospects for the global economy are most uncertain and the current downturn could be prolonged, we remain keenly confident in the future success of our businesses. We believe that what we have been doing, and will continue to do, particularly in terms of developing innovative and creative new products while simultaneously upgrading existing ones, is the proven, right approach for the markets we serve that will deliver long term rewards. Furthermore, we will strive to expand our services beyond the current customer base into market sectors that have similar product requirements.

'Defence' - we will continue to invest in new product development, not only for naval applications but also suitable for wider land-based systems. Recent innovations have attracted considerable attention across international markets, and it is most pleasing to report that some very exciting opportunities are now being converted into much more serious sales prospects.

'Forgings' - our UK operations have been restructured to align with the changing requirements of the national and international markets we serve. We continue to invest in our highly successful United States based manufacturing operations and we are progressively gaining market share.

'Petrol Station Superstructures' - pent-up demand that resulted from the pandemic 'close-down' is starting to be unleashed as markets open up again for new construction and essential maintenance work on existing sites. Our UK based operations will directly benefit as will those we have in Poland, from where we design, supply, erect and maintain petrol station structures across many parts of eastern and northern Europe.

'Petrol Station Branding' - our UK and much larger European mainland operations should also achieve a similar strong recovery as international borders are reopened. The two signage and corporate branding businesses we acquired in the Netherlands last year both serve broader sectors than our traditional customer base. They will greatly assist the expansion of the division to include other signage markets such as 'Hospitality', - hotels and conference centres; 'Automotive' - motor car showrooms; 'Wayfinding' - relating to airports, holiday theme parks etc., thus adding to our strong petrol station market position. The enlarged division will be addressed as the MSI-Sign Group.

It is appropriate on this occasion to express my appreciation to all our employees, for their understanding and commitment to the business, during what has been a most challenging and disruptive year for everyone.

It is also proper to offer our thanks to HM Government and to those Governments, in countries where we have operating businesses located, for their 'Covid-19' support in what has been an unprecedented time.

We remain committed to moving the business forward again and with the unprecedented experience of the past three months almost behind us, we have the resilience, experience and dedication, along with a great team of people, to achieve our aim. Most importantly, we also enjoy significantly strong financial resources to support and develop opportunities as they arise.

At present the global outlook may be unclear, but with recent positive steps out of the 'lockdown', we are confident that we have the wherewithal not only to progressively recover but also to prosper and take advantage of many exciting opportunities.

All matters considered the Board recommends the payment of a prudent final dividend of 1.75p per share (2019 - 6.5p) making a total for the year of 3.5p (2019 - 8.25p). The final dividend is expected to be paid on 14th August 2020, to those shareholders on the register at the close of business on 17th July 2020.

Michael Bell
30th June 2020

Copies of this announcement are available from the Company's registered office at MS INTERNATIONAL plc, Balby Carr Bank, Doncaster, DN4 8DH, England. The full Annual Report and Accounts, which will include the Notice of AGM, will be posted to shareholders shortly, will be available on the Company's website at www.msiplc.com and will be delivered to the Registrar of Companies after it has been laid before the Company's members at the Annual General Meeting to be held on 10th August 2020 at MS INTERNATIONAL plc, Balby Carr Bank, Doncaster DN4 8DH.

Shareholders are advised to read the statement in the full Annual Report and Accounts in relation to the arrangements for the forthcoming Annual General Meeting because of the current restrictions in force relating to public meetings due to Covid 19.

MS INTERNATIONAL plc
Michael Bell

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Patrick Castle
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Consolidated income statement

For the period ended 30th April, 2020

	2020 Total £'000	2019 Total £'000
Continuing operations		
Revenue	61,153	77,708
Cost of sales	(48,275)	(56,131)
Gross profit	12,878	21,577
Distribution costs	(3,455)	(3,537)
Administrative expenses	(12,542)	(11,846)
	(15,997)	(15,383)
Group operating (loss) / profit before exceptional items	(3,119)	6,194
Past service pension costs	-	(1,198)
Group operating (loss) / profit	(3,119)	4,996
Interest received	133	93
Interest paid	(103)	(116)
Other finance costs - pensions	(164)	(186)
	(134)	(209)
(Loss) / profit before taxation	(3,253)	4,787
Taxation	762	(975)
(Loss) / profit for the period attributable to equity holders of the parent	(2,491)	3,812
(Loss) / earnings per share: basic and diluted	(15.1p)	23.1p

Consolidated statement of comprehensive income

For the period ended 30th April, 2020

	2020 Total £'000	2019 Total £'000
(Loss) / profit for the period attributable to equity holders of the parent	(2,491)	3,812
Exchange differences on retranslation of foreign operations	(55)	(242)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(55)	(242)
Remeasurement (losses) / gains on defined benefit pension scheme	(2,197)	403
Deferred taxation on remeasurement on defined benefit scheme	545	(69)
Deferred taxation on revaluation surplus on land and buildings	(110)	-
Net other comprehensive (loss) / income not being reclassified to profit or loss in subsequent periods	(1,762)	334
Total comprehensive (loss) / income for the period attributable to equity holders of the parent	(4,308)	3,904

Consolidated and company statement of changes in equity

For the period ended 30th April, 2020

	Share capital	Capital redemption reserve	Other reserves	Revaluation reserve	Share Premium account	Currency translation reserve	Treasury shares	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(a) Group									
At 28th April, 2018	1,840	901	2,815	6,055	1,629	521	(3,059)	22,698	33,400
IFRS 15 adjustment	-	-	-	-	-	-	-	(144)	(144)
Profit for the period	-	-	-	-	-	-	-	3,812	3,812
Other comprehensive (loss) / income	-	-	-	-	-	(242)	-	334	92
Total comprehensive (loss) / income	-	-	-	-	-	(242)	-	4,146	3,904
Dividends paid	-	-	-	-	-	-	-	(1,362)	(1,362)
At 27th April, 2019	1,840	901	2,815	6,055	1,629	279	(3,059)	25,338	35,798
Loss for the period	-	-	-	-	-	-	-	(2,491)	(2,491)
Other comprehensive loss	-	-	-	-	-	(55)	-	(1,762)	(1,817)
Total comprehensive loss	-	-	-	-	-	(55)	-	(4,253)	(4,308)
Dividends paid	-	-	-	-	-	-	-	(1,362)	(1,362)
At 30th April, 2020	1,840	901	2,815	6,055	1,629	224	(3,059)	19,723	30,128
(b) Company									
At 28th April, 2018	1,840	901	1,565	6,055	1,629	-	(3,059)	18,627	27,558
IFRS 15 adjustment	-	-	-	-	-	-	-	(144)	(144)
Reserve transfer	-	-	6,055	(6,055)	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	(233)	(233)
Other comprehensive income	-	-	-	-	-	-	-	334	334
Total comprehensive income	-	-	-	-	-	-	-	101	101
Dividends paid	-	-	-	-	-	-	-	(1,362)	(1,362)
At 27th April, 2019	1,840	901	7,620	-	1,629	-	(3,059)	17,222	26,153
Profit for the period	-	-	-	-	-	-	-	1,366	1,366
Other comprehensive loss	-	-	-	-	-	-	-	(1,608)	(1,608)
Total comprehensive loss	-	-	-	-	-	-	-	(242)	(242)
Dividends paid	-	-	-	-	-	-	-	(1,362)	(1,362)
At 30th April, 2020	1,840	901	7,620	-	1,629	-	(3,059)	15,618	24,549

Consolidated and company statements of financial position

At 30th April, 2020

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	20,111	20,426	1,121	1,265
Right-of-use assets	1,214	-	5,943	-
Intangible assets	4,140	4,483	-	-
Investments in subsidiaries	-	-	18,036	15,036
Deferred income tax asset	1,875	1,156	1,875	1,241
	27,340	26,065	26,975	17,542
Current assets				
Inventories	15,857	12,624	1,543	1,462
Trade and other receivables	4,589	7,044	15,433	22,489
Income tax receivable	719	44	139	21
Prepayments	1,775	1,774	296	299
Cash and cash equivalents	16,125	22,886	-	-
	39,065	44,372	17,411	24,271
TOTAL ASSETS	66,405	70,437	44,386	41,813
EQUITY AND LIABILITIES				
Equity				
Share capital	1,840	1,840	1,840	1,840
Capital redemption reserve	901	901	901	901
Other reserves	2,815	2,815	7,620	7,620
Revaluation reserve	6,055	6,055	-	-
Share premium account	1,629	1,629	1,629	1,629
Currency translation reserve	224	279	-	-
Treasury shares	(3,059)	(3,059)	(3,059)	(3,059)
(Loss) / profit for the period	(2,491)	3,812	(979)	(233)
Retained earnings brought forward	22,214	21,526	16,597	17,455
TOTAL EQUITY SHAREHOLDERS' FUNDS	30,128	35,798	24,549	26,153
Non-current liabilities				
Defined benefit pension liability	8,563	6,802	8,563	6,802
Deferred income tax liability	1,641	1,567	-	-
Lease liabilities	893	-	5,609	-
	11,097	8,369	14,172	6,802

Current liabilities

Bank overdraft	-	-	391	582
Trade and other payables	24,679	25,375	4,891	8,276
Income tax payable	165	895	-	-
Lease liabilities	336	-	383	-

	25,180	26,270	5,665	8,858
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TOTAL EQUITY AND LIABILITIES	66,405	70,437	44,386	41,813
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Consolidated and company cash flow statements

For the period ended 30th April, 2020

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
(Loss) / profit before taxation	(3,253)	4,787	1,129	(312)
<i>Adjustments to reconcile profit before taxation to net cash inflow / (outflow) from operating activities</i>				
Past service pension costs	-	1,198	-	1,198
IFRS 15 working capital adjustment	-	(144)	-	(144)
Depreciation charge	1,671	1,318	1,001	551
Amortisation charge	631	375	-	-
Net increase of impairment in investment in subsidiary undertaking	-	-	-	168
Profit on sale of fixed assets	(104)	(80)	(93)	(60)
Dividends received	-	-	(2,345)	(690)
Finance costs	134	209	412	249
Foreign exchange gains / (losses)	10	(460)	-	-
Increase in inventories	(1,445)	(958)	(81)	(445)
Decrease / (increase) in receivables	3,019	7,573	4,057	(1,384)
Decrease / (increase) in prepayments	25	(647)	3	36
(Decrease) / increase in payables	(1,021)	(1,849)	(3,462)	1,992
(Decrease) / increase in progress payments	(1,611)	(828)	571	80
Pension fund payments	(600)	(600)	(600)	(600)
Cash (invested in) / generated from operating activities	(2,544)	9,894	592	639
Net interest received / (paid)	66	(23)	(59)	(63)
Taxation (paid) / received	(848)	(797)	30	(36)
Net cash (outflow) / inflow from operating activities	(3,326)	9,074	563	540
Investing activities				
Payments for acquisitions, net of cash acquired	(1,178)	-	-	-
Dividends received from subsidiaries	-	-	1,895	690
Purchase of property, plant and equipment	(721)	(891)	(409)	(284)
Proceeds on disposal of property, plant and equipment	128	199	101	176
Net cash (outflow) / inflow from investing activities	(1,771)	(692)	1,587	582
Financing activities				
Lease payments	(268)	-	(597)	-
Dividends paid	(1,362)	(1,362)	(1,362)	(1,362)
Net cash outflow from financing activities	(1,630)	(1,362)	(1,959)	(1,362)
(Decrease) / increase in cash and cash equivalents	(6,727)	7,020	191	(240)
Opening cash and cash equivalents / (bank overdraft)	22,886	15,884	(582)	(342)
Exchange differences on cash and cash equivalents	(34)	(18)	-	-
Closing cash and cash equivalents / (bank overdraft)	16,125	22,886	(391)	(582)

The financial information set out above does not constitute the Company's statutory accounts for the periods ended 30th April, 2020 or 27th April, 2019 but is derived from those accounts. Statutory accounts for 2019 have been delivered to the Registrar of Companies, and those for 2020 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

1 Segment information

The following table presents revenue and profit and certain assets and liability information regarding the Group's divisions for the periods ended 30th April, 2020 and 27th April, 2019. The reporting format is determined by the differences in manufacture and services provided by the Group. The 'Defence' division is engaged in the design, manufacture and service of defence equipment. The 'Forgings' division is engaged in the manufacture of forgings. The 'Petrol Station Superstructures' division is engaged in the design, manufacture, construction, branding, maintenance and restyling of petrol station superstructures. The 'Corporate Branding' division is engaged in the design, manufacture, installation and service of corporate brandings.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

	'Defence'		'Forgings'		'Petrol Station Superstructures'		'Corporate Branding'		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue										
From external customers	23,464	26,678	11,482	15,695	11,910	15,871	14,297	19,464	61,153	77,708
From other segments	-	-	-	-	386	450	123	226	509	676
Segment revenue	23,464	26,678	11,482	15,695	12,296	16,321	14,420	19,690	61,662	78,384
Segment result	(289)	2,836	(340)	(442)	3	2,055	(2,493)	1,745	(3,119)	6,194
Past service pension costs									-	(1,198)
Net finance costs									(134)	(209)
(Loss) / profit before taxation									(3,253)	4,787
Taxation									762	(975)
(Loss) / profit for the period									(2,491)	3,812
Segmental assets	26,666	29,942	3,570	8,988	8,382	10,787	10,740	9,291	49,358	59,008
Unallocated assets (see below)									17,047	11,429
Total assets									66,405	70,437
Segmental liabilities	16,639	19,500	1,285	6,125	2,274	4,330	4,922	2,806	25,120	32,761
Unallocated liabilities (see below)									11,157	1,878
Total liabilities									36,277	34,639
Capital expenditure	80	67	62	406	293	196	286	118	721	787
Depreciation	222	77	620	517	346	488	235	365	1,423	1,447

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

Geographical analysis

The following table presents revenue and expenditure and certain assets and liabilities information by geographical segment for the periods ended 30th April, 2020 and 27th April, 2019. The Group's geographical segments are based on the location of the Group's assets. Revenue from external customers is based on the geographical location of its customers.

	United Kingdom		Europe		Americas		Rest of the World		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	21,036	30,755	30,748	33,143	8,401	9,572	968	4,238	61,153	77,708
Non-current assets	17,803	17,637	5,017	3,832	4,520	4,596	-	-	27,340	26,065
Current assets	29,004	34,301	8,378	7,670	1,683	2,401	-	-	39,065	44,372
Liabilities	30,473	31,701	5,051	2,260	753	679	-	-	36,277	34,640
Capital expenditure	477	350	244	190	-	351	-	-	721	891

Information about major customers

	2020	2019
	£'000	£'000
Revenue from major customers arising from sales reported in the 'Defence' segment:		
Customer 1	-	10,871
Customer 1	12,633	-
Revenue from major customers arising from sales reported in the 'Corporate Branding' segment:		
Customer 1	-	11,905
Customer 1	3,841	-

2 Employee information

	2020	2019
	Number	Number
The average number of employees, including executive directors, during the period was:		
Production	252	264
Technical	66	65
Distribution	45	27
Administration	85	91
	448	447

(a) Staff costs

	2020	2019
	£'000	£'000
Including executive directors, employment costs were as follows:		
Wages and salaries	16,893	17,609
Social Security costs	2,629	1,934
Other pension costs	870	666
	20,392	20,209

	2020	2019
	£'000	£'000
(b) Directors' emoluments		
Aggregate directors' emoluments	1,300	1,672
Pension contributions	33	47
	1,333	1,719

3 Past service pension costs	2020	2019
	£'000	£'000
Guaranteed minimum pension equalisation adjustment	-	1,198
	-	1,198

4 (a) Taxation

The charge for taxation comprises:

	2020	2019
	£'000	£'000

Current tax

United Kingdom corporation tax	(510)	540
Adjustments in respect of previous years	165	(16)
Foreign corporation tax	(203)	635

Group current tax	(548)	1,159
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Deferred tax

Origination and reversal of temporary differences	(95)	(247)
Adjustments in respect of prior years	(153)	63
Change in tax rate	34	-

Group deferred tax	(214)	(184)
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Tax on (loss) / profit	(762)	975
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Tax relating to items charged or credited to other comprehensive income:

Deferred tax

Deferred tax on measurement gains on pension scheme current year	545	69
Deferred tax on revaluation surplus on land and buildings	(110)	-

Deferred tax in the Consolidated statement of comprehensive income	435	69
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(b) Factors affecting the tax charge for the year

The tax assessed for the period differs to the standard rate of corporation tax in the UK (19%) (2019 - 19%). The differences are explained below:

	2020 £'000	2019 £'000
(Loss) / profit before tax	(3,253)	4,787
(Loss) / profit multiplied by standard rate of corporation tax of 19% (2019 - 19%)	(618)	910
Expenses not deductible for tax purposes	(420)	(102)
Adjustments in respect of overseas tax rates	230	120
Current tax adjustment in respect of prior periods	165	(16)
Deferred tax adjustment in respect of prior periods	(153)	63
Deferred tax adjustment in respect of change in rate	34	-
Total tax charge for the period	(762)	975

(c) Factors affecting future tax charge

A change to the main UK corporation tax rate was enacted in a budget resolution on 17th March, 2020. From 1 April, 2020 the enacted rate remains at 19%, cancelling the previously enacted rate reduction to 17%. Deferred tax at 30th April, 2020 has therefore been provided at 19%. Deferred tax in relation to intangibles recognised on the acquisition of 'MSI-Sign Group B.V.' has been provided at 25%, being the main corporation tax rate in The Netherlands.

5 Earnings per share

The calculation of basic earnings per share is based on:

- (a) Loss for the period attributable to equity holders of the parent of £2,491,000 (2019 - profit of £3,812,000).
- (b) 16,504,691 (2019 - 16,504,691) Ordinary shares, being the weighted average number of Ordinary shares in issue.

This represents 18,396,073 (2019 - 18,396,073) being the weighted average number of Ordinary shares in issue less 1,891,382 (2019 - less 1,891,382) being the weighted average number of shares both held within the ESOT 245,048 (2019 - 245,048) and purchased by the Company 1,646,334 (2019 - 1,646,334).

The share options issued in the period do not have a dilutive effect on the loss for the period.

6 Dividends paid and proposed	2020 £'000	2019 £'000
Declared and paid during the year		
On Ordinary shares		
Final dividend for 2019: 6.50p (2018 - 6.50p)	1,073	1,073
Interim dividend for 2020: 1.75p (2019 - 1.75p)	289	289
	1,362	1,362
Proposed for approval by shareholders at the AGM		
Final dividend for 2020: 1.75p (2019 - 6.50p)	289	1,073

7 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade receivables	4,413	6,913	932	3,456
Retentions on contracts	-	113	-	-
Amounts owed by subsidiary undertakings	-	-	14,422	19,029
Other receivables	176	18	79	4
	4,589	7,044	15,433	22,489

The aggregate amount of costs incurred and recognised profits to date on contracts is £11,858,000 (2019 - £15,819,000).

(a) Trade receivables are denominated in the following currencies:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Sterling	1,551	3,674	838	2,751
Euro	2,319	2,141	94	701
US dollar	349	778	-	-
Other currencies	194	320	-	4
	4,413	6,913	932	3,456

Trade receivables are non-interest bearing and are generally on 30 day terms and are shown net of provision for impairment. The aged analysis of trade receivables after impairment is as follows:

Group	Total	Not past due	< 30	30-60	60-90	> 90
			days	days	days	days
	£'000	£'000	£'000	£'000	£'000	£'000
2020	4,413	2,745	343	211	327	787
2019	6,913	6,245	505	148	13	2

As at 30th April, 2020 trade receivables at a nominal value of £109,000 (2019 - £105,000) were impaired and fully provided. Bad debts of £62,000 (2019 - £65,000) were recovered and bad debts of £68,000 (2019 - £52,000) were incurred.

Company	Total	Not past due	< 30	30-60	60-90	> 90
	£'000	£'000	£'000	£'000	£'000	£'000
2020	932	865	54	3	7	3
2019	2,764	2,649	40	81	-	(6)

As at 30th April, 2020 trade receivables at a nominal value of £73,000 (2019 - £51,000) were impaired and fully provided. Bad debts of £33,000 (2019 - £20,000) were recovered and bad debts of £55,000 (2019 - £39,000) were incurred.

(b) Retentions on contracts are denominated in the following currencies:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Sterling	-	113	-	-
	-	113	-	-

Retentions on contracts are non-interest bearing and represent amounts contractually retained by customers on completion of contracts for specific time periods as follows:

Group	Total	Up to 6 months	6 - 12 months	12 - 18 months	18 - 24 months
	£'000	£'000	£'000	£'000	£'000
2020	-	-	-	-	-
2019	113	93	20	-	-

Company

2020	-	-	-	-	-
2019	-	-	-	-	-

(c) Intercompany receivables

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 repaid on demand. There has been no impairment recognised on intercompany receivables (2019 - £nil).

There are loans to 'MS INTERNATIONAL Estates Limited', which although repayable on demand, are supported by properties which will not be immediately realisable. 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 material impairment of the receivable.

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

	2020	2019
	£'000	£'000
Amounts due from companies backed by liquid assets	7,530	7,219
Amounts due from 'MS INTERNATIONAL Estates Limited'	6,892	11,810
	14,422	19,029

8 Cash and cash equivalents / bank overdraft

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	16,125	17,151	-	-
Short-term deposits	-	5,735	-	-
Bank overdraft	-	-	(391)	(582)
	16,125	22,886	(391)	(582)

9 Net funds

Analysis of net funds

	Group	
	2020	2019
	£'000	£'000
Cash and cash equivalents	16,125	22,886
Lease liabilities	(1,229)	-
	14,896	22,886

Group movement in net funds

	Cash / bank overdraft	Lease liabilities	Total
Net funds as at 28th April, 2018	15,884	-	15,884
Cash flows	7,020	-	7,020
Foreign exchange adjustments	(18)	-	(18)
Net funds as at 27th April, 2019	22,886	-	22,886
Recognised on adoption of IFRS 16	-	(781)	(781)
Net funds as at 28 th April, 2019	22,886	(781)	22,105
Cash flows	(6,727)	268	(6,459)
Foreign exchange adjustments	(34)	6	(28)
Leases on acquisition	-	(501)	(501)
New leases	-	(185)	(185)
Other changes	-	(36)	(36)
Net funds as at 30 April, 2020	16,125	(1,229)	14,896

10 Reserves

Share Capital

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

Capital redemption reserve

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

Other reserves - Company

Following the transfer of assets held at valuation by the Company, to a subsidiary company, a reserve has been 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 and decreases to the extent that such decrease relates to an increase on the same assets previously recognised in equity. This also includes the impact of the change in the enacted corporation tax rate from 17% to 19% on the related deferred tax provision from prior year.

Share premium account

The balance classified as special reserve represents the share premium on the issue of the Company's equity share capital.

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	2020	2019
	£'000	£'000
Employee Share Ownership Trust	100	100
Shares in treasury (see below)	2,959	2,959
	3,059	3,059

During 1991 the Company established an Employee Share Ownership Trust (“ESOT”). The trustee of the ESOT is Appleby Trust (Jersey) Ltd, an independent company registered in Jersey. The 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 trust has purchased an aggregate 245,048 (2019 - 245,048) Ordinary shares, which represents 1.3% (2019 - 1.3%) of the issued share capital of the Company at an aggregate cost of £100,006. The market value of the shares at 30th April, 2020 was £338,000 (2019 - £505,000). The Company has made payments of £nil (2019 - £nil) into the ESOT bank accounts during the period. During the period 1,575,000 (2019 – nil) options over shares have been granted. Details of the outstanding share options for directors are included in the Directors’ remuneration report.

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 period amounts to £8,000 (2019 - £7,000). During the period no options on shares were exercised (2019 - nil) and no shares were purchased (2019 – nil).

The Company made the following purchases of its own 10p Ordinary shares to be held in Treasury:

	£'000
1,000,000 shares from the Group's pension scheme on 11th December, 2013.	1,722
646,334 shares on 30th January, 2014.	1,237
	2,959