

Chairman's statement

Results and Review

Shareholders will recall that I introduced my April 2023 Chairman's Statement by stating that the year had been one of considerable progress for the Company, even if this was not immediately apparent from the results.

Accordingly, it now gives me immense pleasure to confirm that said progress can now be clearly demonstrated in the results for the year ended April 2024.

A record pre-tax profit of £15.71m (2023 - £5.08m) was achieved on increased revenue of £109.58m (2023 - £83.96m), breaking through the £100m revenue level for the first time in the Company's history. Basic earnings per share amounted to 71.0p (2023 - 25.6p)

The Group's order book has, once again, risen substantially to a record value of £162m (2023 - £115m) at the year-end; an impressive 40% increase. The balance sheet has also further strengthened, with cash and cash equivalents standing at an all-time high of £42.68m (2023 - £15.25m).

'Defence and Security'

Another year of considerable progress and growth has been achieved by this division. Our long-held commitment to investing in people, enhanced production facilities, product development and extensive international marketing, is clearly propelling the business to a new and higher level of financial performance.

International interest in both our naval and new land-based weapon systems remains most encouraging with an order intake during the year in excess of £100 million.

Pleasingly, included in that figure, were new orders for six MSI-DS30mm naval weapon systems to be fitted to the first three Royal Navy fleet support vessels. When delivered, this will bring the latest upgraded version of the MSI-DS-30mm weapon system into the Royal Navy's inventory which will significantly improve their 30mm weapon system capability.

These developments auger well for the Company's future as 'Defence and Security' rapidly establishes itself as the dominant division of growth potential.

'Forgings'

This division, which has operations in the UK, USA and Brazil, performed well, although not to the exceptional levels achieved in the previous year. Market conditions tightened in the global mobile material handling industry that we serve and many of our customers reacted quickly to reduce their purchasing requirements. Accordingly, we, in turn, reduced our purchases of raw materials and components to match changing conditions; thus preserving cash.

'Petrol Station Superstructures'

This division based in the UK and Poland, continues to hold a leading, and highly regarded, position in the UK and East European petrol station forecourt construction and maintenance markets.

The UK business performed strongly, notably completing several prestigious large 'new to industry' complex forecourt projects. The repairs and maintenance element of the business in particular, operated at a high level of activity, as station operators sought to preserve their forecourt structures and enhance site appearance.

Access to our own, highly valuable database of historical construction records for stations throughout the UK and Europe, spanning several decades, continues to underpin our important repairs and maintenance business. This

source of detailed knowledge enables us to achieve the efficient repair, re-modelling and refurbishment of these structures in a most timely and economic manner.

Our Poland operations were adversely impacted in the second half of the year by the ongoing war in eastern Europe. Some of our major oil company customers cancelled or postponed, for the time being, projects that we had hoped to construct during the period. Despite those difficulties the business managed to break even for the year.

‘Corporate Branding’

Another year of strong performance for our UK operations where the business, which is focused primarily on the petrol station branding market, continued to grow and prosper.

Following weaker than anticipated performances from operations in the Netherlands and Germany, we restructured them both to focus their activities on the enhanced demands of our growing number of automotive and airport ‘way-finding’ customers.

Outlook

‘Defence and Security’

We live in an increasingly dangerous world and Governments are escalating defence budgets as a consequence. With this background and a strong and growing order book, we look forward with a good degree of confidence to a commendable outcome for the current year.

Deliveries to the US Navy of the first production order contracts of our 30mm naval weapon systems commence in the first half of 2024/25. We will also be delivering additional 30mm naval weapon systems to shipbuilders in the USA for their US ‘Foreign Military Supply’ contracts.

Of particular note will be our first supply of 30mm naval weapon systems to the German Navy. These, together with our 30mm naval weapon systems in service with the Royal Navy and those going to the US Navy, will make MSI the current primary supplier of small calibre naval weapon systems to three of the major ‘NATO’ navies.

We await the tender documents from the US Navy with regard to their proposed five-year procurement programme of our MSI-DS 30mm naval weapon systems. We believe we are well placed to secure this ‘follow on’ order but do not expect it to be placed until after the end of our current financial year.

A number of countries around the world continue to show considerable interest in our land-based mobile counter-drone weapon system, ‘**Paladin**’, previously known as V-SHORAD. The Company has further developed this product, successfully demonstrating its capability to protect against the ever-increasing aerial threat from incoming drones. These developments will continue.

Significant investment continues into both our product range and the Norwich production facility to increase capacity in line with the expanded order book.

All told, we perceive that the excellent prospects for the division bode well for the current year.

‘Forgings’

This is a long-established, high quality, market leading international business. Prospects for the current year, as always, will depend on activity levels in the global mobile material handling industry.

‘Petrol Station Superstructures’

This is now a strong mature business that we have successfully developed, garnering a leading reputation for quality service and support, both in our domestic petrol station forecourt market and that of eastern and northern Europe.

Looking forward, the outlook for the petrol station forecourt industry in the UK looks promising. In eastern Europe much depends on what happens in reaction to the ongoing war in Ukraine.

‘Corporate Branding’

We are confident that the UK based operation will continue to flourish as we invest further to grow its capability.

The restructuring programme, to re-align the Netherlands and Germany based businesses to a more sustainable level, is progressing to plan.

Summary

This has been a year of outstanding trading performance and growth for the Company, reflecting the total commitment of the Board, over many years, to strengthen and develop each of our diverse businesses.

Clearly, the progress we have achieved in growing the ‘Defence and Security’ division has been outstanding and we must continue to exploit the many opportunities we have as we drive the future growth of MSI.

Following this positive significant change in our earnings profile we continue to review and evolve the future strategic priorities for MSI and the profile of the next generation of management.

All matters considered the Board recommends the payment of a final dividend of 16.5p per share (2023 - 13p) making a total for the year of 19.5p per share (2023 - 15p).

The dividend is expected to be paid on the 23rd August 2024 to those shareholders on the register at the close of business on the 12th July 2024.

Michael Bell
25th June 2024

MS INTERNATIONAL plc
Michael Bell

Tel: 01302 322133

Shore Capital (Nominated Adviser and Broker)
Patrick Castle / Daniel Bush / Lucy Bowden

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Copies of this announcement are available from the Company's registered office at MS INTERNATIONAL plc, Balby Carr Bank, Doncaster, DN4 8DH, England. The Notice of AGM will be posted to shareholders on or before 3rd July 2024. The full Annual Report and Accounts will be posted to shareholders no later than 19th July 2024. They will be made available on the Company's website at www.msipcl.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 25th July 2024 at The Holiday Inn, Warmsworth, Doncaster.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Consolidated income statement

For the year ended 30th April 2024

	2024	2023
Continuing operations	Total	Total
	£'000	£'000
Revenue	109,576	83,956
Cost of sales	(75,708)	(60,556)
Gross profit	33,868	23,400
Distribution costs	(4,092)	(3,402)
Administrative expenses	(16,232)	(14,748)
Derivative gains	1,207	-
	(19,117)	(18,150)
Group operating profit	14,751	5,250
Share of net loss of joint venture	-	(36)
Interest received	1,244	134
Interest paid	(104)	(134)
Other finance costs - pensions	(179)	(136)
	961	(136)
Profit before taxation	15,712	5,078
Taxation	(4,212)	(963)
Profit for the year attributable to equity holders of the parent	11,500	4,115
Basic earnings per share	71.0p	25.6p
Diluted earnings per share	67.5p	24.2p

Consolidated statement of comprehensive income

For the year ended 30th April 2024

	2024	2023
	Total	Total
	£'000	£'000
Profit for the year attributable to equity holders of the parent	11,500	4,115
Exchange differences on retranslation of foreign operations	(287)	97
Net other comprehensive (loss)/gain to be reclassified to profit or loss in subsequent years	(287)	97
Remeasurement gains/(losses) on defined benefit pension scheme	3,270	(35)

Deferred tax on remeasurement on defined benefit pension scheme	(817)	9
Deferred tax on revaluation surplus on land and buildings	-	(252)
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent years	2,453	(278)
Total comprehensive income for the year attributable to equity holders of the parent	13,666	3,934

Consolidated and company statement of changes in equity

For the year ended 30th April 2024

	Share capital	Capital redemption reserve	Other reserves	Revaluation reserve	Special reserve	Currency translation reserve	Treasury shares	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(a) Group									
At 30th April 2022	1,784	957	2,815	9,923	1,629	(417)	(2,789)	24,673	38,575
Profit for the year	-	-	-	-	-	-	-	4,115	4,115
Other comprehensive income/(loss)	-	-	-	-	-	97	-	(278)	(181)
Total comprehensive income	-	-	-	-	-	97	-	3,837	3,934
Equity settled share-based payment expense	-	-	-	-	-	-	-	86	86
Exercise of share options	-	-	-	-	-	-	408	(408)	-
Dividends paid	-	-	-	-	-	-	-	(1,520)	(1,520)
Transactions with owners recognised directly in equity	-	-	-	-	-	-	408	(1,842)	(1,434)
At 30th April 2023	1,784	957	2,815	9,923	1,629	(320)	(2,381)	26,668	41,075
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	-	-	-	-	-	-	(1,676)	-	(1,676)
Exercise of share options	-	-	-	-	-	-	355	(40)	315
Deferred tax on share option expense	-	-	-	-	-	-	-	(38)	(38)
Dividends paid	-	-	-	-	-	-	-	(2,610)	(2,610)
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(1,321)	(2,623)	(3,944)
At 30th April 2024	1,784	957	2,815	9,923	1,629	(607)	(3,702)	37,998	50,797

(b) Company

At 30th April 2022	1,784	957	7,620	-	1,629	-	(2,789)	19,859	29,060
Profit for the year	-	-	-	-	-	-	-	305	305
Other comprehensive loss	-	-	-	-	-	-	-	(1)	(1)
Total comprehensive income	-	-	-	-	-	-	-	304	304
Equity settled share-based payment expense	-	-	-	-	-	-	-	86	86
Exercise of share options	-	-	-	-	-	-	408	(408)	-

Dividends paid	-	-	-	-	-	-	-	(1,520)	(1,520)
Transactions with owners recognised directly in equity	-	-	-	-	-	-	408	(1,842)	(1,434)
At 30th April 2023	1,784	957	7,620	-	1,629	-	(2,381)	18,321	27,930
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	-	-	-	-	-	-	(1,676)	-	(1,676)
Exercise of share options	-	-	-	-	-	-	355	(40)	315
Dividends paid	-	-	-	-	-	-	-	(2,610)	(2,610)
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(1,321)	(2,585)	(3,906)
At 30th April 2024	1,784	957	7,620	-	1,629	-	(3,702)	20,704	28,992

Consolidated and company statements of financial position

At 30th April 2024

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	27,953	24,886	1,389	1,161
Right-of-use assets	760	1,162	6,099	4,571
Intangible assets	2,448	2,396	-	-
Investments in subsidiaries	-	-	15,669	15,669
Investment in joint venture	-	-	-	-
Deferred income tax asset	16	1,677	-	1,216
Derivative asset	309	-	309	-
	31,486	30,121	23,466	22,617
Current assets				
Inventories	25,250	24,764	1,823	2,765
Derivative asset	898	-	898	-
Trade and other receivables	28,304	9,031	11,529	14,344
Contract assets	100	144	-	-
Cash and cash equivalents	35,509	12,336	9,936	8,016
Restricted cash held in Escrow	7,170	2,917	-	-
	97,231	49,192	24,186	25,125
TOTAL ASSETS	128,717	79,313	47,652	47,742
EQUITY AND LIABILITIES				
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)	(320)	-	-
Treasury shares	(3,702)	(2,381)	(3,702)	(2,381)
Retained earnings	37,998	26,668	20,704	18,321
TOTAL EQUITY SHAREHOLDERS' FUNDS	50,797	41,075	28,992	27,930
Non-current liabilities				
Defined benefit pension liability	-	4,216	-	4,216
Contract liabilities	10,019	-	-	-
Deferred income tax liability	3,132	2,943	163	-
Lease liabilities	422	829	5,771	4,388
	13,573	7,988	5,934	8,604
Current liabilities				
Trade and other payables	21,349	15,286	10,312	9,933
Contract liabilities	42,616	14,585	1,784	856
Lease liabilities	382	379	630	419
	64,347	30,250	12,726	11,208
TOTAL EQUITY AND LIABILITIES	128,717	79,313	47,652	47,742

Consolidated and company cash flow statements

For the year ended 30th April 2024

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Profit/(loss) before taxation	15,712	5,078	266	(1,233)
<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	2,144	2,044	1,273	965
Amortisation charge	61	239	-	-
Impairment of goodwill	-	390	-	-
Impairment of investment	-	-	-	2,457
Profit on disposal of property, plant and equipment	(214)	(107)	(93)	(66)
Equity settled share-based payment expense	65	86	65	86
Share of net loss of joint venture	-	36	-	-
Profit on disposal of joint venture	(9)	-	-	-
Finance (income)/costs	(961)	136	(47)	246
Foreign exchange movements	-	(369)	-	-
(Increase)/decrease in inventories	(608)	(8,326)	942	(173)
(Increase)/decrease in receivables	(19,259)	5,510	2,814	1,268
Increase in derivatives	(1,207)	-	(1,207)	-
Increase/(decrease) in payables	6,637	(5)	547	2,194
Increase/(decrease) in contract liabilities	37,985	(3,726)	928	234
Pension fund deficit reduction payments	(1,125)	(675)	(1,125)	(675)
Cash generated from operating activities	39,221	311	4,363	5,303
Net interest received	1,177	50	449	44
Taxation paid	(3,796)	(758)	(597)	(363)
Net cash inflow/(outflow) from operating activities	36,602	(397)	4,215	4,984
Investing activities				
Dividends received from subsidiaries	-	-	3,224	2,439
Purchase of property, plant and equipment	(4,898)	(1,971)	(832)	(705)
Purchase of intangible assets	(142)	-	-	-
Proceeds on disposal of property, plant and equipment	314	237	101	120
Increase in cash held in the Escrow account maturing in more than 90 days	(4,253)	(1,759)	-	-
Net cash (outflow)/inflow from investing activities	(8,979)	(3,493)	2,493	1,854
Financing activities				
Buy back of own shares	(1,676)	-	(1,676)	-
Money received from the exercise of share options	315	-	315	-
Lease payments	(409)	(415)	(817)	(560)
Dividends paid	(2,610)	(1,520)	(2,610)	(1,520)
Net cash outflow from financing activities	(4,380)	(1,935)	(4,788)	(2,080)
Increase/(decrease) in cash and cash equivalents	23,243	(5,825)	1,920	4,758
Opening cash and cash equivalents	12,336	18,092	8,016	3,258
Exchange differences on cash and cash equivalents	(70)	69	-	-

Closing cash and cash equivalents	35,509	12,336	9,936	8,016
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The financial information set out above does not constitute the Company's statutory accounts for the periods ended 30th April 2024 or 30th April 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 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

For management and reporting purposes, the Group operated through four trading divisions during the years ended 30th April 2024 and 30th April 2023. 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. 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.

	'Defence and Security'		'Forgings'		'Petrol Station Superstructures'		'Corporate Branding'		Total	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Segmental revenue										
Total revenue	67,228	32,433	17,627	23,266	16,355	16,336	8,957	12,412	110,167	84,447
Revenue from other segments	-	-	-	-	(309)	(316)	(282)	(175)	(591)	(491)
Revenue from external customers	67,228	32,433	17,627	23,266	16,046	16,020	8,675	12,237	109,576	83,956
Segment result										
Operating profit/(loss)	13,009	2,023	1,137	3,864	2,011	2,053	(1,406)	(2,690)	14,751	5,250
Share of net loss of joint venture									-	(36)
Net finance income/(expense)									961	(136)
Profit before taxation									15,712	5,078
Taxation									(4,212)	(963)
Profit for the year									11,500	4,115
Segmental assets										
Assets attributable to segments	78,990	28,145	7,776	9,394	12,874	10,732	4,627	6,744	104,267	55,015
Unallocated assets*									24,450	24,298
Total assets									128,717	79,313
Segmental liabilities										
Liabilities attributable to segments	63,320	19,012	2,255	3,942	4,711	3,402	2,455	3,391	72,741	29,747
Unallocated liabilities*									5,179	8,491
Total liabilities									77,920	38,238
Other segmental information										
Capital expenditure	3,513	1,065	569	213	545	353	271	340	4,898	1,971
Depreciation	499	322	637	644	740	728	268	350	2,144	2,044
Amortisation	18	18	-	-	43	43	-	178	61	239
Impairment	-	-	-	-	-	-	-	390	-	390

* 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.

Geographical analysis

The following table presents revenue and expenditure and certain assets and liabilities information by geographical segment for the years ended 30th April 2024 and 30th April 2023. The Group's geographical segments are based on the location of the Group's assets.

	United Kingdom		Europe		USA		South America		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External revenue by origin	79,893	51,424	8,101	12,333	19,450	17,270	2,132	2,929	109,576	83,956
Non-current assets	23,029	20,529	2,899	3,365	5,476	6,107	82	120	31,486	30,121
Current assets	82,260	40,269	3,559	5,158	10,631	2,844	781	921	97,231	49,192
Liabilities	42,639	23,281	2,739	3,345	32,254	11,380	288	232	77,920	38,238
Capital expenditure	4,817	1,569	56	162	25	240	-	-	4,898	1,971

Revenue disaggregated by customer base is shown as follows:

	2024		2023	
	£'000	%	£'000	%
United Kingdom	48,974	45%	28,354	34%
Asia	24,350	22%	13,578	16%
USA	19,450	18%	17,270	21%
Europe	13,708	12%	21,158	25%
South America	3,086	3%	3,036	3%
Rest of World	8	0%	560	1%
Total revenue	109,576	100%	83,956	100%

The Group's largest customer, which is reported in the 'Defence and Security' division, contributed 27.4% to the Group's revenue (2023 - 12.6% from the same 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 21.6% (2023 - nil).

2. Derivative financial instruments

During the year the Group and Company entered into a number of forward currency contracts in respect of USD denominated cash inflows in the 'Defence and Security' division. In total \$99,000,000 was hedged in the year at an average exchange rate of 1.2330. By the 30th April 2024 a total of \$25,000,000 of contracts had matured at an average rate of 1.2381, leaving a balance of \$74,000,000 at an average rate of 1.2312.

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

	US Dollar	Sterling	Average forward rate	Change in fair value
	\$'000	£'000		£'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

3. Employee information

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

	Group		Company	
	2024	2023	2024	2023
	Number	Number	Number	Number
Production	261	263	74	78
Technical	77	71	21	21

Distribution	28	26	2	2
Administration	89	94	37	39
	455	454	134	140

(a) Staff costs

Including executive directors, employment costs were as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	23,757	21,024	8,782	7,415
Social security costs	3,718	3,853	1,058	822
Pension costs	830	667	469	423
Redundancy costs	160	-	-	-
Share options expense	65	30	65	30
	28,530	25,574	10,374	8,690

(b) Directors' emoluments

	2024 £'000	2023 £'000
Aggregate directors' emoluments	3,517	2,072
Pension contributions	115	65
Gain on exercise of share options	1,043	1,042
	4,675	3,179

In October 2023 two directors exercised LTIP share options totalling 100,000 (2023 - 250,000) at an exercise price of £0 (2023 - £0) per share. The gain on these options is the difference between the market price at the date of exercise, which ranged from £7.20 per share to £7.30 per share (2023 - £4.17), and the exercise price of £0 (2023 - £0) per share.

Between June 2023 and October 2023 four directors exercised CSOP share options totalling 63,335 (2023 - nil) 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 £5.88 per share to £7.15 per share, and the exercise price of £1.41 per share.

4. Taxation

(a) Tax expense

The charge for taxation comprises:

	2024 £'000	2023 £'000
Current tax		
United Kingdom corporation tax	3,187	860
Foreign corporation tax	188	311
Adjustments in respect of previous years	(152)	(76)
Group current tax expense	3,223	1,095
Deferred tax		
Origination and reversal of temporary differences	857	(122)
Adjustments in respect of previous years	132	(2)
Adjustments in respect of difference in applicable tax rate	-	(8)
Group deferred tax expense/(credit)	989	(132)
Total tax expense on profit	4,212	963

Tax relating to items charged to other comprehensive income:

	2024 £'000	2023 £'000
Deferred tax charged through other comprehensive income		
Deferred tax on measurement gains on pension scheme current year	817	(9)
Deferred tax on revaluation surplus on land and buildings	-	252
<hr/>		
Deferred tax expense in the Consolidated statement of comprehensive income	817	243

(b) Factors affecting the tax charge for the year

The tax charge assessed for the year is higher than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19.5%). The differences are explained below:

	2024 £'000	2023 £'000
Profit before tax	15,712	5,078
<hr/>		
Profit multiplied by standard rate of corporation tax of 25% (2023 - 19.5%)	3,928	990
Effects of:		
Expenses not deductible for tax purposes	102	35
R&D tax credit	(322)	(293)
Adjustments in respect of overseas tax rates	5	160
Unrecognised tax losses	390	(35)
Dual residency tax	129	232
Current tax adjustment in respect of previous years	(152)	(76)
UK deferred tax not previously recognised	-	(40)
Deferred tax adjustment in respect of previous years	132	(2)
Deferred tax adjustment in respect of different applicable rates	-	(8)
<hr/>		
Total taxation expense for the year	4,212	963

(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%.

5. Earnings per share

The calculation of basic earnings per share of 71.0p (2023 - 25.6p) is based on the profit for the year attributable to equity holders of the parent of £11,500,000 (2023 - £4,115,000) and on a weighted average number of ordinary shares in issue of 16,186,103 (2023 - 16,045,581). At 30th April 2024 there were 1,068,693 (2023 - 1,270,000) dilutive shares on option with a weighted average effect of 845,288 (2023 - 980,875) giving a diluted earnings per share of 67.5p (2023 - 24.2p).

	2024	2023
Number of ordinary shares in issue at start of the year	17,841,073	17,841,073
Cancellation of ordinary shares during the year	-	-
<hr/>		
Number of ordinary shares in issue at the end of the year	17,841,073	17,841,073
<hr/>		
Weighted average number of shares in issue	17,841,073	17,841,073
Less weighted average number of shares held in the ESOT	(163,021)	(245,048)
Less weighted average number of shares purchased by the Company	(1,491,949)	(1,550,444)
<hr/>		
Weighted average number of shares to be used in basic EPS calculation	16,186,103	16,045,581

Weighted average number of the 1,068,693 (2023 - 1,270,000) dilutive shares	845,288	980,875
Weighted average diluted shares	17,031,391	17,026,456
Profit for the year attributable to equity holders of the parent in £	11,500,000	4,115,000
Basic earnings per share	71.0p	25.6p
Diluted earnings per share	67.5p	24.2p

6. Dividends paid and proposed	2024	2023
	£'000	£'000
Declared and paid during the year:		
Final dividend for 2023: 13p (2022 - 7.5p)	2,123	1,196
Interim dividend for 2024: 3p (2023 - 2p)	487	324
	2,610	1,520
Proposed for approval by shareholders at the AGM:		
Final dividend for 2024: 16.5p (2023 - 13p)	2,679	2,123

7. Trade and other receivables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade receivables (net of allowance for expected credit losses)	14,705	6,931	2,690	2,756
Amounts owed by subsidiary undertakings	-	-	8,502	11,356
Prepayments	6,061	1,027	313	228
Other receivables (*)	7,429	1,071	24	4
Income tax receivable	109	2	-	-
	28,304	9,031	11,529	14,344

(*) Included in Other receivables in the Group is £5,661,000 (2023 - £23,000) of costs in relation to obtaining a contract. There are no costs in relation to obtaining a contract within the Company (2023 - nil).

(a) Trade receivables

Trade receivables are denominated in the following currencies:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Sterling	12,222	3,946	2,220	1,739
Euro	1,084	1,973	470	1,017
US dollar	867	736	-	-
Other currencies	532	276	-	-
	14,705	6,931	2,690	2,756

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Not past due	13,504	5,059	2,555	2,282
< 30 days	396	1,745	83	482

30-60 days	92	90	47	18
60-90 days	50	37	5	-
> 90 days	663	-	-	(26)
Total	14,705	6,931	2,690	2,756

In the Group, trade receivables with a nominal value of £15,000 (2023 - £36,000) were impaired and fully provided as at 30th April 2024. During the year, expected credit losses of £21,000 (2023 - £42,000) were recovered and expected credit losses of £nil (2023 - £26,000) were incurred.

In the Company, trade receivables with a nominal value of £5,000 (2023 - £16,000) were impaired and fully provided as at 30th April 2024. During the year, expected credit losses of £11,000 (2023 - £30,000) were recovered and expected credit losses of £nil (2023 - £13,000) 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 repaid on demand. An impairment charge of £1,686,000 relating to 'MSI-Sign Group B.V.' and 'MSI-Sign Group GmbH' has been recognised on intercompany receivables in the company during the year to give a cumulative impairment charge of £3,113,000 (2023 - £1,470,000).

There are loans to 'MS INTERNATIONAL Estates Limited' and 'MS INTERNATIONAL Estates LLC', 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:

	Company	
	2024	2023
	£'000	£'000
Amounts due from companies backed by liquid assets	1,898	3,607
Amounts due from 'MS INTERNATIONAL Estates Limited'	5,207	5,461
Amounts due from 'MS INTERNATIONAL Estates LLC'	1,397	2,288
	8,502	11,356

8. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	35,509	12,336	9,936	8,016
Restricted cash held in Escrow - maturing in more than 90 days	7,170	2,917	-	-
Total cash	42,679	15,253	9,936	8,016

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 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.

9. Net funds

(a) Analysis of net funds

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	35,509	12,336	9,936	8,016

Restricted cash held in Escrow	7,170	2,917	-	-
Lease liabilities	(804)	(1,208)	(6,401)	(4,807)
	41,875	14,045	3,535	3,209

(b) Group movement in net funds

	Cash and cash equivalent	Restricted cash held in Escrow	Lease liabilities	Total
At 30th April 2022	18,092	1,158	(1,511)	17,739
Cash flows	(5,825)	1,759	415	(3,651)
Foreign exchange adjustments	69	-	(61)	8
Interest	-	-	(51)	(51)
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	-	-	(37)	(37)
At 30th April 2024	35,509	7,170	(804)	41,875

(c) Company movement in net funds

	Cash and cash equivalents	Lease liabilities	Total
At 30th April 2022	3,258	(5,214)	(1,956)
Cash flows	4,758	560	5,318
Interest	-	(153)	(153)
At 30th April 2023	8,016	(4,807)	3,209
Cash flows	1,920	817	2,737
New leases	-	(2,205)	(2,205)
Interest	-	(206)	(206)
At 30th April 2024	9,936	(6,401)	3,535

10. 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 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.

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 share reserve is detailed as follows:

	2024 £'000	2023 £'000
Employee Share Ownership Trust (a)	37	100
Shares in treasury (b)	3,665	2,281
	3,702	2,381

(a) The Employee Share Ownership Trust

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 2024 the ESOT held 91,048 shares (2023 - 245,048), which represents 0.56% (2023 - 1.49%) of the issued share capital of the Company excluding treasury shares. The market value of these shares was £829,000 (2023 - £1,250,000) at 30th April 2024.

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

	Number	£'000
ESOT shares at 30 th April 2022	245,048	100
Exercise of share options	-	-
ESOT shares at 30 th April 2023	245,048	100
Exercise of LTIP share options	(100,000)	(41)
Exercise of CSOP share options	(54,000)	(22)
ESOT shares at 30th April 2024	91,048	37

During the year, 324,007 (2023 - 250,000) share options were exercised by Group employees, of which 154,000 (2023 - nil) were satisfied by the transfer of shares from the ESOT. These shares have been valued at a weighted average cost of £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 £29,000 (2023 - £8,000). The Company has not made any payments (2023 - 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 2022	1,646,334	2,689
Exercise of LTIP share options	(250,000)	(408)
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)
Treasury shares at 30th April 2024	1,516,327	3,665

On 7th July 2023 the Company purchased 290,000 (2023 - nil) shares from the Group's pension scheme at a price of £5.78 per share, totalling £1,676,000. During the year, 324,007 (2023 - 250,000) share options were exercised, of which 170,007 (2023 - 250,000) 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 £1.72 (2022 - £1.63) per share totalling £293,000.

11. Contracts with customers

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

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current contract assets	100	144	-	-
Current contract liabilities	(42,616)	(14,585)	(1,784)	(856)
Non-current contract liabilities	(10,019)	-	-	-
Net contract liabilities	(52,535)	(14,441)	(1,784)	(856)

At 30th April 2024 there was no provision for expected credit losses relating to contract assets (2023 - nil).

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 2023	(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

Included in the contract liabilities balance at 30th April 2024 is £6,987,000 relating to unpaid invoices.

Of the existing contracts that were unsatisfied or partially unsatisfied at 30th April 2024, revenue is expected to be recognised as follows:

	Group	Company
	£'000	£'000
2025	42,616	1,784
2026	9,892	-
2027	127	-
Total	52,635	1,784