

Chairman's Statement

Results and Review

It is both pleasing and reassuring to report that for the year ended 30th April 2021, the Company returned to profits with a pre-tax figure of £1.59m (2020 - loss £3.25m) on revenue of £61.54m (2020 - £61.15m). Basic earnings per share amounted to 7.2p, (2020 - loss per share of 15.1p). The balance sheet has strengthened, with total cash increased to £23.56m (2020 - £16.30m).

Exceptionally good progress has been made across the Group, despite the negative and distracting influence of the global pandemic. Furthermore, the outlook is now much brighter than we could have imagined twelve months ago. We have lost neither skills, nor potential market opportunities and are now starting to benefit from the numerous ambitious development projects and investment programmes that we have been diligently progressing over the past few years.

'Defence'

We continued to stay abreast of our obligations to our many international defence business customers, completing sales of new weapon installations, whilst fully supporting and servicing customers around the world, including twelve individual navies. International marketing activity was, by enforced necessity, sadly restrained. The home market with the UK MoD remains, disappointingly subdued.

Pleasingly, a request from the US Navy, that we field our 'state of the art' 30mm MSI-DS naval weapon system for an evaluation trials programme resulted in a highly positive outcome. We have since been awarded a contract for the supply of seven systems, the first of which has now been delivered directly to the US Navy. We are hopeful that these sales may well lead to follow on production orders. In addition, following the award of that contract, we received an order from a US shipbuilder to supply eight similar weapon systems for a US government Foreign Military Sales Programme.

This important break-through in the United States defence market, is a direct result of our persistent and purposeful marketing effort within the US over many years and our relentless, and crucially important, investment in product development programmes for the world markets.

'Forgings'

This division started the period in a relatively weak business environment, centred around a Brexit settlement and the overhanging potential loss or reduction in fork-arm requirements from our many EU based customers; then Covid hit! The uncertainties were not helped by the growing deterioration in the availability and supply of raw materials and components and their increasing costs. Not only were our own requirements affected but also those of our customers' other material requirements.

Market conditions only started to improve in early 2021, after many of our existing and potential customers reverting to a 'buy-local' philosophy, rather than continuing to buy 'economic dumped' product from China, where reliability of supply had seriously deteriorated. This positive trend for us, when added to our earlier restructuring of our UK operations, at last brought some positive economic sanity into the international markets we serve through our indigenous fork-arm manufacturing plants in the UK, plus North and South America.

'Petrol Station Superstructures'

Despite a much slowed 'pandemic induced' start to the period in the UK, once HM Government determined that petrol stations in England were deemed an essential operation and could remain open, there was a notable upturn in our business activity. Throughout the lockdowns, many of our UK customers, particularly those operating stations that included a quality convenience store and, in some cases, a food outlet, traded well, even though it is reported that fuel sales dropped by 70% at the height of the restrictions. As travel restrictions were eased, so the

need for structural maintenance and new builds gained momentum and there was a pleasing marked restoration in our UK activities.

Unfortunately, there was not a similar freedom of movement across mainland Europe and consequently our operation in Poland - which traditionally services customers from Scandinavia and across Eastern Europe - had a much reduced, activity level throughout the period.

Notwithstanding the challenges, the division, led by the UK operation, achieved a marked improvement in profitability over that reported in the prior year.

‘Corporate Branding’

This division, which operates primarily across western European through operations based in The Netherlands and Germany, experienced a ten per cent reduction in activity compared to the previous year, owing to local and cross border travel restrictions and vigorously enforced lockdowns across the EU. Consequently, revenue was some 30% lower than anticipated. Across the sectors we serve, petrol, hospitality, airports and automotive, people movement was intensely restricted and as a consequence many of our customers’ development programmes were simply put on an ‘extended hold’.

By contrast, our UK ‘Petrol Sign’ business has continued to grow and prosper, responding in line with the more positive approach taken by the UK forecourt market highlighted in my comments on ‘Petrol Station Superstructures’.

Outlook

‘Defence’

Our recent positive breakthrough into the western world’s largest defence market is truly most encouraging and we will do our utmost to progress the many perceived opportunities that are out there. Our other product developments, aimed at opening up new global markets, are progressing to plan and once international travel arrangements can recommence this will enable the business to exploit a number of perceived and very promising opportunities.

Simultaneously, we are upgrading the capabilities of our existing UK manufacturing facilities and systems, to enhance further our production capabilities to meet anticipated future demand.

‘Forgings’

With our highly efficient ‘local’ manufacturing operations in the UK, the United States and Brazil, we are well placed to take advantage of the growing ecological and economic pressures regarding minimising long distance shipping of products around the globe.

‘Petrol Station Superstructures’

The UK petrol station market has recovered strongly and very positively from the initial lock-down pressures of the pandemic.

There continues to be a notable, and very positive change, in the structure of petrol station ownership in the UK. The long-established ownership of stations by the large international oil companies is diminishing and passing to that of that a small number of privately owned, well- funded, entrepreneurial groups. Consequently, there is considerable investment taking place to enhance their station operations, creating what is being termed ‘mobility hubs,’ that will offer, not only a wide variety of fuel options, but also high quality and spacious convenience stores; fast-food outlets; rest areas and internet amenities plus superior car valeting facilities.

With our Group's extensive experience and high reputation in the construction, maintenance and, most recently, the branding of petrol stations, we aim to continue to provide a superior, high quality service to these relatively new, and progressively minded, groups.

Our Poland based business, that enjoys an outstanding reputation for performance amongst the many customers it regularly serves in numerous countries, is well positioned to respond once inter country travel restraints are lifted and there is a restoration of business normality.

'Corporate Branding'

This division has still to contend with the present ongoing operational restraints on travel across international borders, necessitated by the pandemic.

In the meantime, we have reorganised and integrated the operations of this division to reflect the wider product and market sectors it serves. Not only have we considerably reduced costs, but it is now better focused on meeting the expectations of a broader customer market than just 'petrol', which had previously been the prime focus when we acquired the 'Petrol Sign BV' business in 2015.

In concluding, I thank all our employees for their support and commitment to the business in what has clearly been a most disruptive and frustrating business year for everyone.

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

Our commitment to moving the business forward remains at the forefront of our objectives after 15 months of continuous global restrictions. We remain resilient and dedicated, along with a great team of people and are well placed to achieving our aim. Most importantly, we also enjoy further enhanced strong financial resources to support and develop opportunities as they arise.

All matters considered the Board recommends the payment of a reinstated final dividend of 6.5p per share (2020 - 1.75p) making a total for the year of 8.25p (2020 - 3.5p). The final dividend is expected to be paid on the 10th August 2021, to those shareholders on the register at the close of business on 16th July 2021.

Michael Bell
21st June 2021

MS INTERNATIONAL plc
Michael Bell

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Shore Capital (Nominated Adviser and Broker)
Patrick Castle
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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 full Annual Report and Accounts, which will include the Notice of AGM, will be posted to shareholders on 6th July, 2021, 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 29th July 2021 at The Holiday Inn, Warmsworth, Doncaster.

Consolidated income statement

For the year ended 30th April, 2021

	2021	2020
Continuing operations	Total	Total
	£'000	£'000
Revenue	61,539	61,153
Cost of sales	(44,218)	(48,275)
Gross profit	17,321	12,878
Distribution costs	(2,581)	(3,455)
Administrative expenses	(12,954)	(12,542)
	(15,535)	(15,997)
Group operating profit/(loss)	1,786	(3,119)
Share of net profit of joint venture	28	-
Interest received	10	133
Interest paid	(92)	(103)
Other finance costs - pensions	(140)	(164)
	(222)	(134)
Profit/(loss) before taxation	1,592	(3,253)
Taxation	(415)	762
Profit/(loss) for the year attributable to equity holders of the parent	1,177	(2,491)
Basic earnings/(loss) per share	7.2p	(15.1p)
Diluted earnings/(loss) per share	7.0p	(15.1p)

Consolidated statement of comprehensive income

For the year ended 30th April, 2021

	2021	2020
	Total	Total
	£'000	£'000
Profit/(loss) for the year attributable to equity holders of the parent	1,177	(2,491)
Exchange differences on retranslation of foreign operations	(38)	(55)
Net other comprehensive loss to be reclassified to profit or loss in subsequent years	(38)	(55)
Remeasurement gains/(losses) on defined benefit pension scheme	1,213	(2,197)
Deferred tax on remeasurement on defined benefit scheme	(230)	545

Deferred tax on revaluation surplus on land and buildings	-	(110)
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent years	983	(1,762)
Total comprehensive income/(loss) for the year attributable to equity holders of the parent	2,122	(4,308)

Consolidated and company statement of changes in equity

For the year ended 30th April, 2021

	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 27th April, 2019	1,840	901	2,815	6,055	1,629	279	(3,059)	25,338	35,798
Loss for the year	-	-	-	-	-	-	-	(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
Profit for the year	-	-	-	-	-	-	-	1,177	1,177
Other comprehensive (loss)/income	-	-	-	-	-	(38)	-	983	945
Total comprehensive (loss)/income	-	-	-	-	-	(38)	-	2,160	2,122
Dividends paid	-	-	-	-	-	-	-	(578)	(578)
Purchase of own shares	-	-	-	-	-	-	(636)	-	(636)
Cancellation of shares	(56)	56	-	-	-	-	906	(906)	-
At 30th April, 2021	1,784	957	2,815	6,055	1,629	186	(2,789)	20,399	31,036
(b) Company									
At 27th April, 2019	1,840	901	7,620	-	1,629	-	(3,059)	17,222	26,153
Profit for the year	-	-	-	-	-	-	-	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
Profit for the year	-	-	-	-	-	-	-	1,548	1,548
Other comprehensive income	-	-	-	-	-	-	-	899	899
Total comprehensive income	-	-	-	-	-	-	-	2,447	2,447
Dividends paid	-	-	-	-	-	-	-	(578)	(578)
Purchase of own shares	-	-	-	-	-	-	(636)	-	(636)
Cancellation of shares	(56)	56	-	-	-	-	906	(906)	-
At 30th April, 2021	1,784	957	7,620	-	1,629	-	(2,789)	16,581	25,782

Consolidated and company statements of financial position

At 30th April, 2021

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
ASSETS				
Non-current assets				
Property, plant, and equipment	19,113	20,111	935	1,121
Right-of-use assets	530	1,214	5,486	5,943
Intangible assets	3,558	4,140	-	-
Investments in subsidiaries	-	-	17,313	18,036
Investment in joint venture	36	-	-	-
Deferred income tax asset	1,606	1,875	1,600	1,875
	24,843	27,340	25,334	26,975
Current assets				
Inventories	12,423	15,857	1,498	1,543
Trade and other receivables	9,369	4,589	16,135	15,433
Contract assets	1,998	-	-	-
Income tax receivable	194	719	141	139
Prepayments	2,010	1,775	543	296
Cash and cash equivalents	17,390	16,125	943	-
Restricted cash held in Escrow	6,165	-	-	-
	49,549	39,065	19,260	17,411
	74,392	66,405	44,594	44,386
TOTAL ASSETS				
EQUITY AND LIABILITIES				
Equity				
Share capital	1,784	1,840	1,784	1,840
Capital redemption reserve	957	901	957	901
Other reserves	2,815	2,815	7,620	7,620
Revaluation reserve	6,055	6,055	-	-
Special reserve	1,629	1,629	1,629	1,629
Currency translation reserve	186	224	-	-
Treasury shares	(2,789)	(3,059)	(2,789)	(3,059)
Retained earnings	20,399	19,723	16,581	15,618
	31,036	30,128	25,782	24,549
Non-current liabilities				
Defined benefit pension liability	7,095	8,563	7,095	8,563
Deferred income tax liability	1,553	1,641	-	-
Lease liabilities	380	893	5,214	5,609
	9,028	11,097	12,309	14,172
Current liabilities				
Bank overdraft	-	-	-	391
Trade and other payables	12,410	11,309	5,234	3,854
Contract liabilities	21,192	13,370	874	1,037
Income tax payable	561	165	-	-
Lease liabilities	165	336	395	383
	34,328	25,180	6,503	5,665

TOTAL EQUITY AND LIABILITIES

74,392

66,405

44,594

44,386

Consolidated and company cash flow statements

For the year ended 30th April, 2021

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Profit/(loss) before taxation	1,592	(3,253)	92	(1,216)
<i>Adjustments to reconcile profit before taxation to net cash inflow/(outflow) from operating activities</i>				
Past service pension costs	205	-	205	-
Depreciation charge of owned assets and right-of-use assets	1,666	1,671	895	1,001
Amortisation charge	237	360	-	-
Impairment of goodwill	348	-	-	-
Write off of acquired goodwill	8	271	-	-
Profit on sale of fixed assets	(74)	(104)	(61)	(93)
Share of net profit of joint venture	(28)	-	-	-
Termination of lease	(7)	-	-	-
Finance costs	222	134	366	412
Foreign exchange gains	516	10	-	-
Decrease/(increase) in inventories	3,377	(1,445)	44	(81)
(Increase)/decrease in receivables	(6,834)	3,019	37	4,057
(Increase)/decrease in prepayments	(237)	25	(246)	3
Increase/(decrease) in payables	1,162	(1,021)	1,296	(3,462)
Increase/(decrease) in progress payments	7,824	(1,611)	(163)	571
Pension fund payments	(600)	(600)	(600)	(600)
Cash generated from/(invested in) operating activities	9,377	(2,544)	1,865	592
Net interest (paid)/received	(52)	66	(49)	(59)
Taxation received/(paid)	460	(848)	-	30
Net cash inflow/(outflow) from operating activities	9,785	(3,326)	1,816	563
Investing activities				
Payments for acquisitions, net of cash acquired	(89)	(1,178)	-	-
Dividends received from subsidiaries	-	-	1,498	1,895
Purchase of property, plant, and equipment	(781)	(721)	(268)	(409)
Proceeds on disposal of property, plant, and equipment	97	128	62	101
Increase in cash held in the Escrow account maturing in more than 90 days	(6,165)	-	-	-
Net cash (outflow)/inflow from investing activities	(6,938)	(1,771)	1,292	1,587
Financing activities				
Purchase of own shares	(636)	-	(636)	-
Lease payments	(327)	(268)	(560)	(597)
Dividends paid	(578)	(1,362)	(578)	(1,362)
Net cash outflow from financing activities	(1,541)	(1,630)	(1,774)	(1,959)
Increase/(decrease) in cash and cash equivalents	1,306	(6,727)	1,334	191
Opening cash and cash equivalents/(bank overdraft)	16,125	22,886	(391)	(582)
Exchange differences on cash and cash equivalents	(41)	(34)	-	-
Closing cash and cash equivalents/(bank overdraft)	17,390	16,125	943	(391)

The financial information set out above does not constitute the Company's statutory accounts for the periods ended 30th April, 2021 or 30th April, 2020 but is derived from those accounts. Statutory accounts for 2020 have been delivered to the Registrar of Companies, and those for 2021 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 years ended 30th April, 2021 and 30th April, 2020. 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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Segmental revenue										
Total revenue	27,078	23,464	9,970	11,482	11,774	12,296	12,972	14,420	61,794	61,662
Revenue from other segments	-	-	-	-	(145)	(386)	(110)	(123)	(255)	(509)
Revenue from external customers	27,078	23,464	9,970	11,482	11,629	11,910	12,862	14,297	61,539	61,153
Segment result										
Operating profit/(loss)	2,570	(289)	425	(340)	448	3	(1,657)	(2,493)	1,786	(3,119)
Share of net profit of joint venture									28	-
Net finance costs									(222)	(134)
Profit/(loss) before taxation									1,592	(3,253)
Taxation									(415)	762
Profit/(loss) for the year									1,177	(2,491)
Segmental assets										
Assets attributable to segments	35,414	26,666	4,066	3,570	8,492	8,382	8,468	10,740	56,440	49,358
Unallocated assets*									17,952	17,047
Total assets									74,392	66,405
Segmental liabilities										
Liabilities attributable to segments	24,795	16,639	2,445	1,285	2,970	2,274	3,510	4,922	33,720	25,120
Unallocated liabilities*									9,636	11,157
Total liabilities									43,356	36,277
Other segmental information										
Capital expenditure	440	80	24	62	131	293	186	286	781	721
Depreciation	176	222	545	620	377	346	263	235	1,361	1,423
Amortisation	-	-	-	-	55	180	182	180	237	360
Impairment	-	-	-	-	-	-	348	-	348	-

* 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, 2021 and 30th April, 2020. The Group's geographical segments are based on the location of the Group's assets.

	United Kingdom		Europe		Americas		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External revenue by origin	41,191	39,191	12,987	14,538	7,361	7,424	61,539	61,153
Non-current assets	17,373	17,803	3,706	5,017	3,764	4,520	24,843	27,340
Current assets	39,457	29,004	6,899	8,378	3,193	1,683	49,549	39,065
Liabilities	32,516	30,473	3,729	5,051	7,111	753	43,356	36,277
Capital expenditure	644	477	137	244	-	-	781	721

Revenue disaggregated by destination is shown as follows:

	2021		2020	
	£'000	%	£'000	%
United Kingdom	22,259	36%	21,036	34%
Europe	26,574	43%	30,748	50%
USA & South America	7,361	12%	8,401	14%
Rest of World	5,345	9%	968	2%
Total revenue	61,539	100%	61,153	100%

The Group's largest customer, which is reported in the 'Defence' division, contributed 14.9% to the Group's revenue (2020: 20.7% in the 'Defence' division). Only one other customer, also in the 'Defence' division, contributed more than 10% to the Group's revenue with a contribution of 11.3% (2020: 13.0% in the 'Defence' division).

2. Employee information

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

	2021	2020
	Number	Number
Production	243	252
Technical	72	66
Distribution	32	45
Administration	96	85
	443	448

(a) Staff costs

Including executive directors, employment costs were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	17,420	17,133
Coronavirus job retention scheme income	(1,690)	(240)
Social security costs	3,263	2,629
Pension costs	557	870
Share options expense	29	-
	19,579	20,392

The Coronavirus job retention scheme income has been received in the following countries:

2021	2020
£'000	£'000

UK	313	240
The Netherlands	1,113	-
USA	254	-
Poland	10	-
	1,690	240

(b) Directors' emoluments

	2021	2020
	£'000	£'000
Aggregate directors' emoluments	1,570	1,300
Pension contributions	42	33
Share option expense	13	-
	1,625	1,333

3. (a) Taxation

The charge for taxation comprises:

	2021	2020
	£'000	£'000
Current tax		
United Kingdom corporation tax	410	(510)
Adjustments in respect of previous years	25	165
Foreign corporation tax	30	(203)
Group current tax expense/(credit)	465	(548)
Deferred tax		
Origination and reversal of temporary differences	(40)	(95)
Adjustments in respect of previous years	(10)	(153)
Difference in applicable tax rate	-	34
Group deferred tax credit	(50)	(214)
Total tax expense/(credit) on profit/(loss)	415	(762)

Tax relating to items charged or credited to other comprehensive income:

Deferred tax charged/(credited) through other comprehensive income		
Deferred tax on measurement gains on pension scheme current year	(230)	545
Deferred tax on revaluation surplus on land and buildings	-	(110)
Deferred tax in the Consolidated statement of comprehensive income	(230)	435

(b) Factors affecting the tax charge for the year

The tax charge/(credit) assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit/(loss) before tax	1,592	(3,253)
Profit/(loss) multiplied by standard rate of corporation tax of 19% (2020 - 19%)	302	(618)

Effects of:		
Expenses not deductible for tax purposes	(164)	(420)
Adjustments in respect of overseas tax rates	262	230
Current tax adjustment in respect of previous years	25	165
Deferred tax adjustment in respect of previous years	(10)	(153)
Deferred tax adjustment in respect of different applicable rates	-	34
Total taxation expense/(credit) for the year	415	(762)

(c) Factors affecting future tax charge

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1st April, 2023. The legislation received Royal Assent on 10th June, 2021 so was substantively enacted after the reporting date. Deferred tax at 30th April, 2021 has therefore been provided at 19%.

The overall effect of the forthcoming increase in the main UK corporation tax rate to 25%, had it been enacted at the reporting date, would have led to an increase in the deferred tax asset of approximately £510,000 and an increase in the deferred tax liability of approximately £450,000. The increase in the main rate of UK corporation tax from April 2023 is unlikely to have a material effect on the annual tax charge in the Group's accounts arising from the reversal of timing differences recognised through the consolidated income statement.

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.

4. Earnings per share

The calculation of basic earnings per share of 7.2p (2020 - loss per share of 15.1p) is based on the profit for the year attributable to equity holders of the parent of £1,177,000 (2020 - loss of £2,491,000) and on a weighted average number of ordinary shares in issue of 16,342,816 (2020 - 16,504,491). At 30th April, 2020 there were 380,000 (2020 - 400,000) potentially dilutive shares on option with a weighted average effect of 391,667 (2020 - 400,000) giving a diluted earnings per share of 7.0p (2020 - loss per share of 15.1p).

	2021	2020
Number of ordinary shares in issue at start of the year	18,396,073	18,396,073
Cancellation of ordinary shares during the year	(555,000)	-
Number of ordinary shares in issue at the end of the year	17,841,073	18,396,073
Weighted average number of shares in issue	18,234,198	18,396,073
Less weighted average number of shares held in the ESOT	(245,048)	(245,048)
Less weighted average number of shares purchased by the Company	(1,646,334)	(1,646,334)
Weighted average number of shares to be used in basic EPS calculation	16,342,816	16,504,691
Weighted average number of the 380,000 (2020 - 400,000) potentially dilutive shares	391,667	400,000
Weighted average diluted shares	16,734,483	16,904,691
Profit/(loss) for the year attributable to equity holders to the parent in £	1,177,000	(2,491,000)
Basic earnings/(loss) per share	7.2p	(15.1p)
Diluted earnings/(loss) per share	7.0p	(15.1p)

The prior year diluted loss per share is the same as the basic loss per share as the impact of potential dilutive shares is anti-dilutive and therefore not recognised.

5. Dividends paid and proposed

	2021	2020
	£'000	£'000
Declared and paid during the year		
Final dividend for 2020: 1.75p (2019 - 6.50p)	289	1,073
Interim dividend for 2021: 1.75p (2020 - 1.75p)	289	289
Total	578	1,362

6. Trade and other receivables

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade receivables (net of allowance for expected credit losses)	8,764	4,413	2,184	932
Amounts owed by subsidiary undertakings	-	-	13,872	14,422
Amounts owed by joint venture	150	-	-	-
Other receivables	455	176	79	79
	9,369	4,589	16,135	15,433

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

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Sterling	6,112	1,551	1,675	838
Euro	1,692	2,319	509	94
US dollar	695	349	-	-
Other currencies	265	194	-	-
	8,764	4,413	2,184	932

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 £'000	Not past due £'000	< 30 days £'000	30-60 days £'000	60-90 days £'000	> 90 days £'000
2021	8,764	7,268	1,381	102	28	(15)
2020	4,413	2,745	343	211	327	787

As at 30th April, 2021 trade receivables at a nominal value of £43,000 (2020 - £109,000) were impaired and fully provided. Bad debts of £81,000 (2020 - £62,000) were recovered and bad debts of £16,000 (2020 - £68,000) were incurred.

Company	Total £'000	Not past due £'000	< 30 days £'000	30-60 days £'000	60-90 days £'000	> 90 days £'000
2021	2,184	2,033	122	28	-	1
2020	932	865	54	3	7	3

As at 30th April, 2021 trade receivables at a nominal value of £11,000 (2020 - £73,000) were impaired and fully provided. Bad debts of £69,000 (2020 - £33,000) were recovered and bad debts of £7,000 (2020 - £55,000) were incurred.

(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 (2020 - £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:

2021 £'000	2020 £'000
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Amounts due from companies backed by liquid assets	7,587	7,530
Amounts due from 'MS INTERNATIONAL Estates Limited'	6,285	6,892

13,872	14,422
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7. Cash and cash equivalents / bank overdraft

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	17,390	16,125	943	-
Bank overdraft	-	-	-	(391)
Cash and cash equivalents	17,390	16,125	943	(391)
Restricted cash held in Escrow - maturing in more than 90 days	6,165	-	-	-
Total cash	23,555	16,125	943	(391)

The balance held in Escrow provides security to Lloyds Bank plc in respect of any guarantees, indemnities, and performance bonds given by the group in the ordinary course of business.

8. Net funds

Analysis of net funds

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and cash equivalents	17,390	16,125	943	-
Bank overdraft	-	-	-	(391)
Restricted cash held in Escrow	6,165	-	-	-
Lease liabilities	(545)	(1,229)	(5,609)	(5,992)
	23,010	14,896	(4,666)	(6,383)

Group movement in net funds

	Cash/bank overdraft	Restricted cash held in Escrow	Lease liabilities	Total
Net funds as at 27th April, 2019	22,886	-	-	22,886
Recognised on adoption of IFRS 16	-	-	(781)	(781)
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 30th April, 2020	16,125	-	(1,229)	14,896
Cash flows	1,306	6,165	327	7,798
Foreign exchange adjustments	(41)	-	(16)	(57)
Lease cancellation	-	-	402	402
Other changes	-	-	(29)	(29)
Net funds as at 30th April, 2021	17,390	6,165	(545)	23,010

Company movement in net funds

	Cash/bank overdraft	Restricted cash held in Escrow	Lease liabilities	Total
Net funds as at 27th April, 2019	(582)	-	-	(582)
Recognised on adoption of IFRS 16	-	-	(6,400)	(6,400)
Cash flows	191	-	597	788
Other changes	-	-	(189)	(189)
Net funds as at 30th April, 2020	(391)	-	(5,992)	(6,383)
Cash flows	1,334	-	560	1,894
Other changes	-	-	(177)	(177)
Net funds as at 30th April, 2021	943	-	(5,609)	(4,666)

9. 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

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

	2021	2020
	£'000	£'000
Employee Share Ownership Trust	100	100
Shares in treasury (see below)	2,689	2,959
	2,789	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 (2020 - 245,048) ordinary shares, which represents 1.5% (2020 - 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, 2021 was £380,000 (2020 - £338,000). The Company has made payments of £nil (2020 - £nil) into the ESOT bank accounts during the period. During the year, no options have been granted over shares (2020 - 1,575,000). 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 £3,000 (2020 - £8,000). During the year, no options on shares were exercised (2020 - nil) and no shares were purchased (2020 - nil).

On 11th December, 2013 the Company purchased 1,000,000 of its shares with a further 646,334 shares being purchased on 30th January, 2014.

On 15th January, 2021 the Company purchased 555,000 of its own 10p ordinary shares for a consideration of £636,000. The shares were cancelled on the same date at a weighted average price of £163.33 per share, totalling £906,000.

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

	Number	£'000
Purchase of 1,000,000 shares from the Group's pension scheme on 11th December, 2013	1,000,000	1,722
Purchase of 646,334 shares on 30th January, 2014	646,334	1,237
Purchase of 555,000 shares on 15th January, 2021	555,000	636
Consideration paid for purchase of own shares	2,201,334	3,595
Cancellation of 555,000 shares at weighted average rate	(555,000)	(906)
Net value of treasury shares	1,646,334	2,689