

# **MS INTERNATIONAL plc**

**Unaudited Interim Condensed**

**Group Financial Statements**

**31st October, 2021**

**EXECUTIVE DIRECTORS**

Michael Bell  
Michael O'Connell  
Nicholas Bell

**NON-EXECUTIVE DIRECTORS**

Roger Lane-Smith  
David Hansell

**COMPANY SECRETARY**

Shelley Ashcroft

**REGISTERED OFFICE**

Balby Carr Bank  
Doncaster  
DN4 8DH  
England

**PRINCIPAL OPERATING DIVISIONS**

'Defence'  
'Forgings'  
'Petrol Station Superstructures'  
'Corporate Branding'

# Chairman's statement

## Results

It is a pleasure to report that the Company continued to perform well and maintained profitable trading in the six months to 31st October 2021.

Revenue in the latest period increased significantly to £33.16m (2020 - £26.34m) producing a profit of £0.77m (2020 - loss £1.08m).

Basic earnings per share 3.4p (2020 - loss 6.6p).

The balance sheet remains strong with cash at £15.54m (2020 - £14.01m).

Furthermore, orders received in the period, when added to those already 'in hand', have placed the Group in a very advantageous position despite the global pandemic which will, no doubt, continue to disrupt current and prospective business activity across our operations.

## Prospects

**'Defence'** - During the past few months we have, where possible, successfully trialled and demonstrated several of our new naval and land-based products to overseas customers. I am delighted to report, that all of these have been very well received. This has provided additional confidence in our international sales prospects.

The first batch of our 30mm naval guns for supply to the US Navy is in production for delivery in the second part of this financial year, alongside various other export sales items.

We anticipate commencing production in our magnificent, refurbished, and enhanced production facilities early in the new year.

**'Forgings'** - This division, with operations in the UK and in both North and South America, is benefiting from a gratifyingly high level of demand from the many international manufacturers of mobile material handling equipment. This upturn stems partly from the current major disruption of sea-going cargo traffic travelling from low cost overseas suppliers to the worldwide materials handling industry.

A shift to a 'buy local' policy has proved to be the industry's best remedy to negate an otherwise highly vulnerable supply chain and further damage to the environment. Without doubt, MSI has the proven capability and reliability to meet the demands of both global and local industries from our three international locations in which we continue to invest to ensure maximum efficiencies.

**'Petrol Station Superstructures'** - Across the UK, development of new sites, together with the refurbishment and further expansion of other service provisions on the filling station network, are expected to continue at a satisfactory level throughout the remainder of this financial year. By contrast, intercountry access controls and restrictions, already imposed by many European states, may remain strictly enforced and so hinder their station building projects.

**'Corporate Branding'** - Whilst those strict intercountry access controls remain in place, trading will remain difficult for this division which operates across mainland Europe from its bases in The Netherlands and, to a lesser extent, Germany. The majority of our customers served by this Group are large international corporates, many of which have enforced temporary cutbacks on branding expenditure in these challenging times, instead focusing their available resources on maintenance and repair.

Pleasingly, by comparison, our fledgling UK operation has a considerable amount of work-in-hand, benefiting from the rebranding of petrol stations from one oil company to another following an active period of station ownership transfers.

## Outlook

We remain firmly of the opinion that the Company is better placed than it has been for some time, despite the current difficulties brought about by the pandemic and its consequences.

All such matters considered, the Board has declared a maintained interim dividend per share of 1.75p (2020 - 1.75p) payable to shareholders on the 14th January 2022.

**Michael Bell**  
**7th December 2021**

## **Independent review report to MS INTERNATIONAL plc**

### **Introduction**

We have reviewed the condensed set of financial statements in the half-yearly financial report of MS INTERNATIONAL plc (the 'company') for the six months ended 31 October 2021 which comprises Interim condensed consolidated income statement, Interim condensed consolidated statement of comprehensive income statement, Interim condensed consolidated statement of financial position, Interim consolidated statement of changes in equity, Interim consolidated cash flow statement and notes to the interim consolidated financial statements. We have read the other information contained in the half-yearly financial report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

### **Our responsibility**

Our responsibility is to express a conclusion to the company on the condensed set of financial statements in the half-yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **The impact of uncertainties arising from COVID-19 on our review**

Our review of the condensed set of financial statements in the half-yearly financial report requires us to obtain an understanding of all relevant uncertainties, including those arising as a result of COVID-19. Such reviews assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no review of interim financial information should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as COVID-19.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

## **Use of our report**

This report is made solely to the company, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our review work, for this report, or for the conclusion we have formed.

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
7th December 2021

## Interim condensed consolidated income statement

	Notes	Half-year to 31st October, 2021 unaudited £'000	Half-year to 31st October, 2020 unaudited £'000
<b>Revenue</b>	5/6	<b>33,155</b>	26,342
Cost of sales		<b>(24,646)</b>	(19,831)
<b>Gross profit</b>		<b>8,509</b>	6,511
Distribution costs		<b>(1,768)</b>	(1,297)
Administrative expenses		<b>(5,865)</b>	(6,204)
<b>Operating profit/(loss)</b>	6	<b>876</b>	(990)
Finance costs		<b>(40)</b>	(45)
Other finance costs - pension		<b>(63)</b>	(70)
Share of net profit of joint venture		-	25
<b>Profit/(loss) before taxation</b>		<b>773</b>	(1,080)
Tax expense	7	<b>(236)</b>	(2)
<b>Profit/(loss) for the period attributable to equity holders of the parent</b>		<b>537</b>	(1,082)
Basic earnings/(loss) per share	8	<b>3.4p</b>	(6.6p)
Diluted earnings/(loss) per share	8	<b>3.3p</b>	(6.6p)

## Interim condensed consolidated statement of comprehensive income

		Half-year to 31st October, 2021 unaudited £'000	Half-year to 31st October, 2020 unaudited £'000
<b>Profit/(loss) for the period attributable to equity holders of the parent</b>		<b>537</b>	(1,082)
Exchange differences on retranslation of foreign operations		<b>(242)</b>	219
<b>Net other comprehensive (loss)/profit to be reclassified to profit or loss in subsequent periods</b>		<b>(242)</b>	219
Remeasurement gains/(losses) on defined benefit pension scheme	13	<b>217</b>	(642)
Deferred taxation on remeasurement of defined benefit pension scheme		<b>258</b>	122
Deferred taxation on revaluation surplus on land and buildings		<b>(331)</b>	-
<b>Net other comprehensive profit/(loss) not being reclassified to profit or loss in subsequent periods</b>		<b>144</b>	(520)
<b>Total comprehensive profit/(loss) for the period attributable to equity holders of the parent</b>		<b>439</b>	(1,383)

# Interim condensed consolidated statement of financial position

	Notes	31st October, 2021 unaudited £'000	31st October, 2020 unaudited £'000	30th April, 2021 audited £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		3,122	4,070	3,558
Property, plant, and equipment	10	20,015	19,484	19,113
Right-of-use assets	11	1,235	682	530
Investment in joint venture		34	34	36
Deferred income tax asset		1,861	2,015	1,606
		<b>26,267</b>	<b>26,285</b>	<b>24,843</b>
<b>Current assets</b>				
Inventories		17,446	17,624	12,423
Trade and other receivables		11,075	6,957	9,369
Contract assets		1,747	-	1,998
Income tax receivable		52	555	194
Prepayments		2,127	2,397	2,010
Cash and cash equivalents	12	14,067	7,457	17,390
Restricted cash held in Escrow	12	1,470	6,554	6,165
		<b>47,984</b>	<b>41,544</b>	<b>49,549</b>
<b>TOTAL ASSETS</b>		<b>74,251</b>	<b>67,829</b>	<b>74,392</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		1,784	1,840	1,784
Capital redemption reserve		957	901	957
Other reserve		2,815	2,815	2,815
Revaluation reserve		6,055	6,055	6,055
Special reserve		1,629	1,629	1,629
Currency translation reserve		(56)	443	186
Treasury shares		(2,789)	(3,059)	(2,789)
Retained earnings		20,044	17,832	20,399
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<b>30,439</b>	<b>28,456</b>	<b>31,036</b>
<b>Non-current liabilities</b>				
Defined benefit pension liability	13	6,491	9,075	7,095
Deferred income tax liability		1,938	1,600	1,553
Lease liabilities		975	465	380
		<b>9,404</b>	<b>11,140</b>	<b>9,028</b>
<b>Current liabilities</b>				
Trade and other payables		12,623	12,684	12,410
Contract liabilities		20,928	15,299	21,192
Income tax payable		574	18	561
Lease liabilities		283	232	165
		<b>34,408</b>	<b>28,233</b>	<b>34,328</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,251</b>	<b>67,829</b>	<b>74,392</b>

The interim condensed consolidated financial statements of the Group for the six months ended 31st October, 2021 were authorised for issue in accordance with a resolution of the directors on 7th December, 2021 and signed on their behalf by:

Michael O'Connell  
Finance Director

## Interim consolidated statement of changes in equity

	Share capital	Capital redemption reserve	Other reserve	Revaluation reserve	Special reserve	Currency translation reserve	Treasury shares	Retained earnings	Total unaudited
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30th April, 2020	1,840	901	2,815	6,055	1,629	224	(3,059)	19,723	<b>30,128</b>
Loss for the period	-	-	-	-	-	-	-	(1,082)	<b>(1,082)</b>
Other comprehensive income/(loss)	-	-	-	-	-	219	-	(520)	<b>(301)</b>
Dividend paid	-	-	-	-	-	-	-	(289)	<b>(289)</b>
<b>At 31st October, 2020</b>	<b>1,840</b>	<b>901</b>	<b>2,815</b>	<b>6,055</b>	<b>1,629</b>	<b>443</b>	<b>(3,059)</b>	<b>17,832</b>	<b>28,456</b>
Profit for the period	-	-	-	-	-	-	-	2,259	<b>2,259</b>
Other comprehensive (loss)/income	-	-	-	-	-	(257)	-	1,503	<b>1,246</b>
Dividend paid	-	-	-	-	-	-	-	(289)	<b>(289)</b>
Purchase of own shares	-	-	-	-	-	-	(636)	-	<b>(636)</b>
Cancellation of shares	(56)	56	-	-	-	-	906	(906)	-
<b>At 30th April, 2021</b>	<b>1,784</b>	<b>957</b>	<b>2,815</b>	<b>6,055</b>	<b>1,629</b>	<b>186</b>	<b>(2,789)</b>	<b>20,399</b>	<b>31,036</b>
Profit for the period	-	-	-	-	-	-	-	537	<b>537</b>
Other comprehensive (loss)/income	-	-	-	-	-	(242)	-	144	<b>(98)</b>
Dividend paid (note 9)	-	-	-	-	-	-	-	(1,036)	<b>(1,036)</b>
<b>At 31st October, 2021</b>	<b>1,784</b>	<b>957</b>	<b>2,815</b>	<b>6,055</b>	<b>1,629</b>	<b>(56)</b>	<b>(2,789)</b>	<b>20,044</b>	<b>30,439</b>



## Interim consolidated cash flow statement

	Half-year to 31st October, 2021 unaudited £'000	Half-year to 31st October, 2020 unaudited £'000
Profit/(loss) before taxation	773	(1,080)
<i>Adjustments to reconcile profit/(loss) before taxation to net cash outflow from operating activities:</i>		
Depreciation charge of owned and right-of-use assets	868	866
Amortisation charge	111	125
Impairment of goodwill	349	-
Profit on disposal of fixed assets	(59)	(26)
Share of net profit of joint venture	-	(25)
Net finance costs	103	115
Termination of lease	-	(7)
Foreign exchange (losses)/gains	(44)	192
Increase in inventories	(5,119)	(1,690)
Increase in receivables	(1,433)	(2,315)
Increase in prepayments	(119)	(620)
Increase in payables	246	1,306
(Decrease)/increase in contract liabilities	(310)	1,891
Pension fund deficit reduction payments	(450)	(200)
<b>Cash invested in operating activities</b>	<b>(5,084)</b>	<b>(1,468)</b>
Net interest paid	(15)	(25)
Taxation paid	(20)	(39)
<b>Net cash outflow from operating activities</b>	<b>(5,119)</b>	<b>(1,532)</b>
<b>Investing activities</b>		
Purchase of property, plant, and equipment	(1,618)	(152)
Purchase of intangible assets	(54)	-
Proceeds on disposal of property, plant, and equipment	79	27
Decrease/(increase) in restricted cash held in Escrow	4,695	(6,554)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>3,102</b>	<b>(6,679)</b>
<b>Financing activities</b>		
Lease payments	(204)	(191)
Dividend paid	(1,036)	(289)
<b>Net cash outflow from financing activities</b>	<b>(1,240)</b>	<b>(480)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(3,257)</b>	<b>(8,691)</b>
Opening cash and cash equivalents	17,390	16,125
Exchange differences on cash and cash equivalents	(66)	23
<b>Closing cash and cash equivalents</b>	<b>14,067</b>	<b>7,457</b>

# Notes to the interim consolidated financial statements

## 1. Corporate information

MS INTERNATIONAL plc is a public limited company incorporated in England and Wales. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange. The principal activities of the Company and its subsidiaries ("the Group") are the design, manufacture, construction, and servicing of a range of engineering products and structures. These activities are grouped into the following divisions:

'Defence' - design, manufacture, and service of defence equipment.

'Forging' - manufacture of fork-arms and open die forgings.

'Petrol Station Superstructures' - design, manufacture, construction, and maintenance of petrol station

'Corporate Branding' - design, manufacture, installation, and service of corporate brandings, including media facades, way-finding signage, public illumination, creative lighting solutions, and the complete appearance of petrol station superstructures and forecourts.

## 2. Basis of preparation and accounting policies

The consolidated condensed interim financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" in conformity with the requirements of the Companies Act 2006. They do not include all the information and disclosures required in annual financial statements in accordance with IFRS, and should therefore be read in conjunction with the Group's Annual Report for the year ended 30th April, 2021 and any public announcements made by MS INTERNATIONAL plc during the interim reporting period.

The consolidated condensed interim financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" in conformity with the requirements of the Companies Act 2006. They do not include all the information and disclosures required in annual financial statements in accordance with IFRS, and should therefore be read in conjunction with the Group's Annual Report for the year ended 30th April, 2021 and any public announcements made by MS

The interim financial information has been reviewed but not audited by the Group's auditor, Grant Thornton UK LLP. Their report is included on page 4.

The accounting policies are consistent with those applied in the financial statements of the Annual Report for year ended 30th April, 2021. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

The assets and liabilities of the overseas subsidiaries are translated into the presentational currency of the Group at the rate of exchange ruling at the statement of financial position date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

## 3. Principal risks and uncertainties

The principal risks and uncertainties facing the Group for the remaining six months of the financial year are discussed below. Further details of the Group's risks and uncertainties can be found on page 9 of the Annual Report for the year ended 30th April, 2021 available from MS INTERNATIONAL plc's website: [www.msipcl.com](http://www.msipcl.com).

One of the Group's principal risk and uncertainties continues to be the level of customer demand for the Group's products and services. Customer demand is driven mainly by general economic conditions in addition to pricing, product quality, and delivery performance of the Group in comparison to our competitors.

In addition, the current economic environment brought about by the Covid-19 pandemic, along with the impact of lockdowns and travel related restrictions, has created uncertainty for the Group in terms of timing of revenue recognition and the phasing of demand from customers. There is also a risk to both the health and safety of staff, and to the global supply chain in terms of the flow of goods and raw materials.

Despite the successful role out of global vaccination programmes, there remains uncertainty around the potential emergence of variants that could lead to the imposition of further lockdowns and/or travel restrictions. Given that the Group has plans in place to manage foreseeable challenges of the Covid crisis, healthy financial resources, and a number of long-term contracts with certain customers, the directors believe the Group is well placed to manage its business risk successfully despite these challenges. Accordingly, the directors continue to conclude that the adoption of the going concern basis of accounting remains appropriate when preparing these interim financial statements.

#### 4. Going concern

In making the going concern assessment, as well as considering general risks and specifically the risks presented by Covid-19, the directors have considered a period of 12 months from the approval of the financial statements.

#### 5. Revenue

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

	<b>Half-year to 31st October, 2021 unaudited £'000</b>	Half-year to 31st October, 2020 unaudited £'000
Revenue recognised at a point in time	<u>33,155</u>	<u>26,342</u>
Total revenue	<u>33,155</u>	<u>26,342</u>

## 6. Segment information

### Primary reporting format - divisional segments

The following table presents segmental revenue and operating profit/(loss) as well as segmental assets and liabilities of the Group's divisions for the half-year periods ended 31st October, 2021 and 31st October, 2020.

	'Defence'		'Forgings'		'Petrol Station Superstructures'		'Corporate Branding'		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	unaudited £'000	unaudited £'000
<b>Segmental revenue</b>										
From external customers	10,947	8,641	7,418	4,577	7,942	6,640	6,848	6,484	33,155	26,342
From other segments	-	-	-	-	140	51	50	66	190	117
<b>Segment revenue</b>	<b>10,947</b>	<b>8,641</b>	<b>7,418</b>	<b>4,577</b>	<b>8,082</b>	<b>6,691</b>	<b>6,898</b>	<b>6,550</b>	<b>33,345</b>	<b>26,459</b>
<b>Segment result</b>										
Operating profit/(loss)	(155)	(1,267)	784	(279)	725	835	(478)	(279)	876	(990)
Net finance expense									(103)	(115)
Share of net profit of joint venture									-	25
<b>Profit/(loss) before taxation</b>									<b>773</b>	<b>(1,080)</b>
Tax expense									(236)	(2)
<b>Profit/(loss) for the period</b>									<b>537</b>	<b>(1,082)</b>
<b>Segmental assets</b>										
Assets attributable to segments	33,622	27,984	5,732	3,497	10,195	10,154	8,124	9,919	57,673	51,554
Unallocated assets*									16,578	16,275
<b>Total assets</b>									<b>74,251</b>	<b>67,829</b>
<b>Segmental liabilities</b>										
Liabilities attributable to segments	23,888	18,747	2,704	1,774	4,227	3,349	3,684	4,062	34,503	27,932
Unallocated liabilities*									9,309	11,441
<b>Total liabilities</b>									<b>43,812</b>	<b>39,373</b>
<b>Other segmental information</b>										
Capital expenditure	1,198	81	172	-	131	59	117	12	1,618	152
Depreciation	101	133	276	278	358	178	133	277	868	866
Amortisation	-	-	-	-	23	33	88	92	111	125
Impairment of goodwill	-	-	-	-	-	-	349	-	349	-

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

## 7. Tax expense

The major components of the tax expense in the consolidated income statement are:

	<b>Half-year to 31st October, 2021 unaudited £'000</b>	Half-year to 31st October, 2020 unaudited £'000
Current tax expense	175	67
Deferred tax expense/(income)	61	(65)
<b>Total tax expense reported in the Interim condensed consolidated income statement</b>	<b>236</b>	<b>2</b>

Tax relating to items (charged)/credited to other comprehensive income:

	<b>Half-year to 31st October, 2021 unaudited £'000</b>	Half-year to 31st October, 2020 unaudited £'000
Deferred tax on measurement gains on pension scheme current year	217	(642)
Deferred tax on revaluation surplus on land and buildings	258	122
Deferred taxation on revaluation surplus on land and buildings	(331)	-
<b>Deferred tax in the Interim condensed consolidated statement of comprehensive income</b>	<b>144</b>	<b>(520)</b>

The rate of corporation tax in the UK will remain at 19% until April 2023 when it will increase to 25%. As the changes have been enacted as at 31st October, 2021, deferred income tax has therefore been provided at 25% or a blended rate depending upon when the underlying temporary timing differences are expected to unwind. Deferred income 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.

## 8. Earnings per share

The calculation of basic earnings per share of 3.4p (2020 - loss per share of 6.6p) is based on the profit for the period attributable to equity holders of the parent of £537,000 (2020 - loss of £1,082,000) and on a weighted average number of ordinary shares in issue of 15,949,691 (2020 - 16,504,491). At 31st October, 2021 there were 1,055,000 (2020 - 400,000) potentially dilutive shares on option with a weighted average effect of 391,005 (2020 - 400,000) giving a diluted earnings per share of 3.3p (2020 - loss per share of 6.6p).

	<b>Half-year to 31st October, 2021 unaudited</b>	Half-year to 31st October, 2020 unaudited
Weighted average number of shares in issue	17,841,073	18,396,073
Less weighted average number of shares held in the ESOT	(245,048)	(245,048)
<b>Less weighted average number of shares purchased by the Company</b>	<b>(1,646,334)</b>	<b>(1,646,334)</b>
Weighted average number of shares to be used in basic EPS calculation	15,949,691	16,504,691
<b>Weighted average number of the 1,055,000 (2020 - 400,000) potentially dilutive shares</b>	<b>391,005</b>	<b>400,000</b>
<b>Weighted average diluted shares</b>	<b>16,340,696</b>	<b>16,904,691</b>
Profit/(loss) for the year attributable to equity holders to the parent in £	537,000	(1,082,000)
Basic earnings/(loss) per share	3.4p	(6.6p)
Diluted earnings/(loss) per share	3.3p	(6.6p)

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.

## 9. Dividends paid and proposed

	<b>Half-year to 31st October, 2021 unaudited £'000</b>	Half-year to 31st October, 2020 unaudited £'000
<i>Declared and paid during the six month period</i>		
Final dividend on ordinary shares for 2021 - 6.5p (2020 - 1.75p)	1,036	289
<i>Proposed for approval</i>		
Interim dividend on ordinary shares for 2022 - 1.75p (2021 - 1.75p)	279	289

The interim dividend will be payable on 14th January, 2022 to those members registered on the books of the Company on 17th December, 2021.

## 10. Property, plant, and equipment

### At 31st October, 2021

	Freehold property £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 30th April, 2021	17,591	15,506	33,097
Additions	1,041	577	1,618
Disposals	-	(563)	(563)
Exchange differences	(7)	(67)	(74)
<b>At 31st October, 2021</b>	<b>18,625</b>	<b>15,453</b>	<b>34,078</b>
<b>Accumulated depreciation</b>			
At 30th April, 2021	1,242	12,742	13,984
Depreciation charge for the period	153	527	680
Disposals	-	(542)	(542)
Exchange differences	(8)	(51)	(59)
<b>At 31st October, 2021</b>	<b>1,387</b>	<b>12,676</b>	<b>14,063</b>
<b>Net book value at 31st October, 2021</b>	<b>17,238</b>	<b>2,777</b>	<b>20,015</b>
<b>Analysis of cost or valuation</b>			
At professional valuation	12,300	-	12,300
At cost	6,325	15,453	21,778
<b>At 31st October, 2021</b>	<b>18,625</b>	<b>15,453</b>	<b>34,078</b>

### At 31st October, 2020

	Freehold property £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 30th April, 2020	17,746	15,858	33,604
Additions	-	152	152
Disposals	-	(364)	(364)
Exchange differences	(98)	1	(97)
<b>At 31st October, 2020</b>	<b>17,648</b>	<b>15,647</b>	<b>33,295</b>
<b>Accumulated depreciation</b>			
At 30th April, 2020	970	12,523	13,493
Depreciation charge for the period	158	530	688
Disposals	-	(363)	(363)
Exchange differences	(6)	(1)	(7)
<b>At 31st October, 2020</b>	<b>1,122</b>	<b>12,689</b>	<b>13,811</b>
<b>Net book value at 31st October, 2020</b>	<b>16,526</b>	<b>2,958</b>	<b>19,484</b>
<b>Analysis of cost or valuation</b>			
At professional valuation	12,300	-	12,300
At cost	5,348	15,647	20,995
<b>At 31st October, 2020</b>	<b>17,648</b>	<b>15,647</b>	<b>33,295</b>

**At 30th April, 2021**

	Freehold property £'000	Plant and equipment £'000	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 30th April, 2020	17,746	15,858	<b>33,604</b>
Additions	234	547	<b>781</b>
Disposals	-	(756)	<b>(756)</b>
Acquisition	-	30	<b>30</b>
Exchange differences	(389)	(173)	<b>(562)</b>
<b>At 30th April, 2021</b>	<b>17,591</b>	<b>15,506</b>	<b>33,097</b>
<b>Accumulated depreciation</b>			
At 30th April, 2020	970	12,523	<b>13,493</b>
Depreciation charge for the year	311	1,050	<b>1,361</b>
Disposals	-	(733)	<b>(733)</b>
Exchange differences	(39)	(98)	<b>(137)</b>
<b>At 30th April, 2021</b>	<b>1,242</b>	<b>12,742</b>	<b>13,984</b>
<b>Net book value at 30th April, 2021</b>	<b>16,349</b>	<b>2,764</b>	<b>19,113</b>
<b>Analysis of cost or valuation</b>			
At professional valuation	12,300	-	<b>12,300</b>
At cost	5,291	15,506	<b>20,797</b>
<b>At 30th April, 2021</b>	<b>17,591</b>	<b>15,506</b>	<b>33,097</b>

On 11th November, 2017, 26th July, 2017 and 28th March, 2018 the Group's land and buildings, which consist of manufacturing and office facilities in the UK, Poland, and USA were valued by Dove Haigh Phillips (UK), KonSolid-Nieruchomosci (Poland), and Real Estate & Appraisal Services Inc (USA). Management determined that these constitute one class of asset under IFRS 13 (designated as level 3 fair value assets), based on the nature, characteristics, and risks of the properties.

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

The valuation of the properties in the UK has been processed in the financial statements. Both the Polish and the US property valuations were sufficiently close to their carrying value such that the valuations were not processed.

## 11. Right-of-use assets

### At 31st October, 2021

	Property £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 30th April, 2021	895	21	916
Additions	765	-	765
Lease amendment	160	-	160
Exchange differences	(46)	-	(46)
<b>At 31st October, 2021</b>	<b>1,774</b>	<b>21</b>	<b>1,795</b>
<b>Accumulated depreciation</b>			
At 30th April, 2021	373	13	386
Depreciation charge for the period	184	4	188
Exchange differences	(14)	-	(14)
<b>At 31st October, 2021</b>	<b>543</b>	<b>17</b>	<b>560</b>
<b>Net book value at 31st October, 2021</b>	<b>1,231</b>	<b>4</b>	<b>1,235</b>

### At 31st October, 2020

	Property £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 30th April, 2020	1,403	50	1,453
Additions	-	-	-
Disposals	(390)	-	(390)
Exchange differences	38	-	38
<b>At 31st October, 2020</b>	<b>1,051</b>	<b>50</b>	<b>1,101</b>
<b>Accumulated depreciation</b>			
At 30th April, 2020	219	20	239
Depreciation charge for the period	168	10	178
Exchange differences	2	-	2
<b>At 31st October, 2020</b>	<b>389</b>	<b>30</b>	<b>419</b>
<b>Net book value at 31st October, 2020</b>	<b>662</b>	<b>20</b>	<b>682</b>

### At 30th April, 2021

	Property £'000	Plant and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 30th April, 2020	1,403	50	1,453
Disposals	(517)	(29)	(546)
Exchange differences	9	-	9
<b>At 30th April, 2021</b>	<b>895</b>	<b>21</b>	<b>916</b>
<b>Accumulated depreciation</b>			
At 30th April, 2020	219	20	239
Depreciation charge for the period	288	17	305
Disposals	(127)	(24)	(151)
Exchange differences	(7)	-	(7)
<b>At 30th April, 2021</b>	<b>373</b>	<b>13</b>	<b>386</b>
<b>Net book value at 30th April, 2021</b>	<b>522</b>	<b>8</b>	<b>530</b>

## 12. Cash and cash equivalents

For the purpose of the interim consolidated cash flow statement, cash and cash equivalents are comprised of the following:

	31st October, 2021 unaudited £'000	31st October, 2020 unaudited £'000	30th April, 2021 audited £'000
Cash at bank and in hand	14,067	7,457	17,390
Cash and cash equivalents	14,067	7,457	17,390
Restricted cash held in Escrow - maturing in more than 90 days	1,470	6,554	6,165
<b>Total cash</b>	<b>15,537</b>	<b>14,011</b>	<b>23,555</b>

The restricted cash 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.



### 13. Pension liability

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

- Until 5th April, 1997, the Scheme provided defined benefits and these liabilities remain in respect of service prior to 6th April, 1997. From 6th April, 1997 until 31st May, 2007 the Scheme provided future service benefits on a defined contribution basis.
- The last formal valuation of the Scheme was performed at 7th May, 2021 by a professionally qualified actuary.
- From 6th April, 2016 the Company directly pays the expenses of the Scheme. The total pension scheme expenses incurred by the Company during the period were £105,000 (2020: £113,000).
- With effect from May 2021 the deficit reduction contributions paid into the Scheme by the Company have been increased to £900,000 per annum. The deficit reduction contributions will be paid on a quarterly basis with the first being paid on or after 1st July, 2021 and the last being due for payment on or before 1st April, 2028.
- From 1st June, 2007 the Company has operated a defined contribution scheme for its UK employees which is administered by a UK pension provider. Member contributions are paid in line with this Scheme's documentation over the accounting period and the Company has no further obligations once the contributions have been made.
- As at 31st October, 2021 the scheme liability was £6,491,000 (2020 - £9,075,000).
- During the period, the Scheme liability has decreased by £604,000 (2020 - £512,000 increase). A remeasurement gain of £217,000 (2020 - £642,000 loss) has been recognised through other comprehensive income. It comprises of a £848,000 remeasurement gain compared to the interest income on the plan assets and a £631,000 actuarial loss due to changes in financial assumptions. The actuarial loss of £631,000 is primarily due to the increase in inflationary and salary increase assumptions, both of which increased the Scheme's liabilities at 31st October, 2021. There has been no change to the discount rate or any changes to demographic assumptions. The interest cost on the net defined benefit liability of £63,000 has been recognised through the income statement. The Scheme's liabilities have been reduced by pension fund deficit payments in the period of £450,000 (2020 - £200,000).
- A £1,198,000 liability for unrecognised past service cost relating to GMP equalisation was recognised in the Consolidated income statement for the 52 weeks ended 27th April, 2019. A further £205,000 of previously unrecognised past service costs were recognised in the Consolidated income statement for the year ended 30th April, 2021. This liability has been remeasured and is included in the Scheme's liabilities at 31st October, 2021.

### 14. Commitments and contingencies

The Company is contingently liable in respect of guarantees, indemnities and performance bonds given in the ordinary course of business amounting to £1,556,000 at 31st October, 2021 (2020 - £6,977,000).

In the opinion of the Directors, no material loss will arise in connection with the above matters.

The Group and certain of its subsidiary undertakings are parties to legal actions and claims which have arisen in the normal course of business. The results of actions and claims cannot be forecast with certainty, but the directors believe that they will be concluded without any material effect on the net assets of the Group.