

# Chairman's statement

## Introduction

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

## Operating Environment

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

## International Focus on Defence

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

## 2024/5 Results (Year ending April 2025)

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

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

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

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

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

### a) 'Defence and Security'

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

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

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

### b) 'Forgings'

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

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

**c) ‘Petrol Station Superstructures’**

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

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

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

**d) ‘Corporate Branding’**

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

## **Outlook**

**a) ‘Defence and Security’**

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

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

**b) ‘Forgings’**

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

**c) ‘Petrol Station Superstructures’**

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

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

#### **d) ‘Corporate Branding’**

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

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

## **Review of Future Strategic Priorities for the Group**

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

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

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

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

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

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

## **Summary and Final Dividend**

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

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

Michael Bell  
27<sup>th</sup> June 2025

**MS INTERNATIONAL plc**

Michael Bell

Tel: 01302 322133

**Shore Capital (Nominated Adviser and Broker)**

Patrick Castle / Daniel Bush / Lucy Bowden

Tel: 020 7408 4090

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 14<sup>th</sup> July 2025. The full Annual Report and Accounts will be posted to shareholders no later than 21<sup>st</sup> July 2025. They will be made available on the Company's website at [www.msiplc.com](http://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 6<sup>th</sup> August 2025 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 2025

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

# Consolidated statement of comprehensive income

For the year ended 30th April 2025

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

# Consolidated and company statement of changes in equity

For the year ended 30th April 2025

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

## (b) Company

At 30th April 2023 (previously reported)	1,784	957	7,620	-	1,629	-	(2,381)	18,321	<b>27,930</b>
Prior year adjustment	-	-	-	-	-	-	-	928	<b>928</b>
At 30th April 2023 (as restated)	1,784	957	7,620	-	1,629	-	(2,381)	19,249	<b>28,858</b>
Profit for the year	-	-	-	-	-	-	-	2,753	<b>2,753</b>
Other comprehensive income	-	-	-	-	-	-	-	2,215	<b>2,215</b>
Total comprehensive income	-	-	-	-	-	-	-	4,968	<b>4,968</b>
Equity settled share-based payment expense	-	-	-	-	-	-	-	65	<b>65</b>
Purchase of own shares	-	-	-	-	-	-	(1,676)	-	<b>(1,676)</b>
Exercise of share options	-	-	-	-	-	-	355	(40)	<b>315</b>
Deferred tax on share option relief (restated)	-	-	-	-	-	-	-	735	<b>735</b>
Dividends paid	-	-	-	-	-	-	-	(2,610)	<b>(2,610)</b>
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(1,321)	(1,850)	<b>(3,171)</b>
At 30th April 2024	1,784	957	7,620	-	1,629	-	(3,702)	22,367	<b>30,655</b>
Profit for the year	-	-	-	-	-	-	-	4,293	<b>4,293</b>
Other comprehensive income	-	-	-	-	-	-	-	-	<b>-</b>
Total comprehensive income	-	-	-	-	-	-	-	4,293	<b>4,293</b>
Equity settled share-based payment expense	-	-	-	-	-	-	-	78	<b>78</b>
Deferred tax on share option relief	-	-	-	-	-	-	-	192	<b>192</b>
Purchase of own shares	-	-	-	-	-	-	(4,483)	-	<b>(4,483)</b>
Exercise of share options	-	-	-	-	-	-	798	(447)	<b>351</b>
Dividends paid	-	-	-	-	-	-	-	(3,507)	<b>(3,507)</b>
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(3,685)	(3,684)	<b>(7,369)</b>
At 30th April 2025	1,784	957	7,620	-	1,629	-	(7,387)	22,976	<b>27,579</b>



# Consolidated and company statements of financial position

At 30th April 2025

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

# Consolidated and company cash flow statements

For the year ended 30th April 2025

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

The financial information set out above does not constitute the Company's statutory accounts for the periods ended 30<sup>th</sup> April 2025 or 30<sup>th</sup> April 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies and those for 2025 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.

The accounting policies applied in this financial information are aligned with those in the Group's financial statements for the years ended 30<sup>th</sup> April 2025 and 30<sup>th</sup> April 2024. Those financial statements were prepared in accordance with UK-adopted international accounting standards and the applicable legal requirements of the Companies Act 2006, except for the revaluation of certain financial instruments and properties, and in accordance with the requirements of the AIM Rules.

## 1. Segment information

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

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

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

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

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

## Geographical analysis

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

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

Revenue disaggregated by customer base is shown as follows:

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

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

## 2. Derivative financial instruments

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

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

2025	US Dollar \$'000	Sterling £'000	Average forward rate	Change in fair value £'000
Non-current derivative asset	-	-	-	-
Current derivative asset	28,400	22,412	1.2672	1,134
<b>Total</b>	<b>28,400</b>	<b>22,412</b>	<b>1.2672</b>	<b>1,134</b>
2024	US Dollar \$'000	Sterling £'000	Average forward rate	Change in fair value £'000
Non-current derivative asset	20,000	16,134	1.2396	309
Current derivative asset	54,000	43,968	1.2282	898
<b>Total</b>	<b>74,000</b>	<b>60,102</b>	<b>1.2312</b>	<b>1,207</b>

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

## 3. Employee information

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

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

(a) Staff costs

Including executive directors, employment costs were as follows:

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

(b) Directors' emoluments

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Aggregate directors' emoluments	<b>3,735</b>	3,517
Pension contributions	<b>133</b>	115
Gain on exercise of share options	<b>1,385</b>	1,043
	<b>5,253</b>	4,675

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

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

#### 4. Taxation

(a) Tax expense

The charge for taxation comprises:

	<b>2025</b>	2024
	<b>£'000</b>	£'000
<b>Current tax</b>		
United Kingdom corporation tax	<b>5,495</b>	3,187
Foreign corporation tax	<b>275</b>	188
Adjustments in respect of previous years	<b>(155)</b>	(152)
Group current tax expense	<b>5,615</b>	3,223

**Deferred tax**

Origination and reversal of temporary differences	(41)	857
Adjustments in respect of previous years	(55)	132
Group deferred tax (credit)/expense	(96)	989
<b>Total tax expense on profit</b>	<b>5,519</b>	<b>4,212</b>
Tax relating to items charged to other comprehensive income:		
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax on measurement gains on pension scheme current year	-	817
Deferred tax on revaluation surplus on land and buildings	(52)	-
Deferred tax (credit)/expense in the Consolidated statement of comprehensive income	(52)	817
Tax relating to items charged directly to equity:		
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Current tax on share option relief	-	(577)
Deferred tax on share option relief	(192)	(1,086)
Total tax credit charged directly to equity	(192)	(1,086)

**(b) Factors affecting the tax charge for the year**

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

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

**(c) Factors affecting future tax charge**

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

**5. Earnings per share**

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

**2025** **2024**

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

<b>6. Dividends paid and proposed</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Declared and paid during the year:		
Final dividend for 2024: 16.5p (2023 - 13p)	2,703	2,123
Interim dividend for 2025: 5p (2024 - 3p)	804	487
	3,507	2,610
Proposed for approval by shareholders at the AGM:		
Final dividend for 2025: 18p (2024 - 16.5p)	2,910	2,703

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

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

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

#### (a) Trade receivables

Trade receivables are denominated in the following currencies:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sterling	15,230	12,222	1,524	2,220
Euro	822	1,084	258	470
US dollar	9,063	867	-	-



Other currencies	558	532	-	-
	25,673	14,705	1,782	2,690

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

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

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

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

#### (b) Amounts owed by subsidiary undertakings

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

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

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

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

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

#### 8. Cash and cash equivalents

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

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

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

## 9. Net funds

### (a) Analysis of net funds

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

### (b) Group movement in net funds

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

### (c) Company movement in net funds

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

## 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:

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

#### (a) The Employee Share Ownership Trust

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

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

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

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

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

The assets, liabilities, income, and costs of the ESOT have been incorporated into the Company's financial statements. Total ESOT costs charged to the income statement in the year amounts to £11,000 (2024 - £29,000). The Company made a payment of £1,000 (2024 - nil) into the ESOT bank accounts during the year.

#### (b) Shares in treasury

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

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

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

## 11. Contracts with customers

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

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

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

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

	Group £'000	Company £'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)	-
<b>Contract liabilities as at 30th April 2024</b>	<b>52,635</b>	<b>1,784</b>
New contract liabilities	79,641	5,679
Revenue recognised in the year:		
- that was included in the contract liability balance as at 30th April 2024	(29,569)	(1,775)
- relating to new contract liabilities in the year	(55,234)	(2,596)
Other movements	7,604	-

Exchange differences	(2,199)	-
<b>Contract liabilities as at 30th April 2025</b>	<b>52,878</b>	<b>3,092</b>

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

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

	<b>Group £'000</b>	<b>Company £'000</b>
2026	45,670	3,092
2027	4,312	-
2028	379	-
2029	2,517	-
<b>Total</b>	<b>52,878</b>	<b>3,092</b>

## 12. Prior year adjustment

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

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