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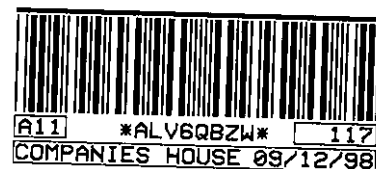
Company Registration No. 794821

**NUMERICALLY CONTROLLED
MACHINE TOOLS LIMITED**

Report and Financial Statements

28 February 1998

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



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REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Burke (Chairman)
P V Cornford
L J Gray
P G Keates
N D Pickles FCA

SECRETARY

N D Pickles FCA

REGISTERED OFFICE

Ferry Works
Summer Road
Thames Ditton
Surrey KT7 0QQ

BANKERS

Bank of Scotland
Beauclerc House
3 Queens Road
Reading
Berkshire RG1 4AR

SOLICITORS

Lovegrove & Elliot
4 Park Street
Windsor
Berkshire

Mundays Solicitors
Crown House
Church Road
Claygate
Esher
Surrey
KT10 0LP

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 28 February 1998.

ACTIVITIES

Numerically Controlled Machine Tools Limited (NCMT) is the parent company of companies engaged principally in the provision of engineering solutions and supply of related capital goods for the UK manufacturing sector. This incorporates automation and other related equipment, supported by a technical and service support function.

FUTURE DEVELOPMENTS

A significant purpose built showroom and technical centre was contracted for during the year. This is based near Coventry in the Midlands, strategically sited to be more readily accessible for the UK engineering industry. The facility was completed in June 1998 and will enable the company to provide the significantly increasing requirements of our customers for engineering and technical matters.

The directors will continue to consider any opportunities that will allow the company to develop the scope of engineering and related technical support to our ever increasing customer base and to enable UK manufacturing to achieve world class manufacturing capability.

In addition there have been strategic investments in telecommunications and related disciplines to enable the company to be fully positioned for the demands of the next millennium. All these activities are taken to fully focus on the full service and support requirements demanded by our customers.

RESULTS AND DIVIDENDS

Turnover from activities increased by £3,449,000 (15%) from £22,666,000 to £26,115,000. Profit from operations increased by £552,000 (31%) from £1,784,000 to £2,336,000. This improvement represents not only an increase in activity but also the extent of fully engineered turnkey business.

The final dividend recommended by the directors is £4 per ordinary share (1997: £2 per ordinary share).

The costs associated with fully engineered turnkey business are not fully reflected in cost of sales.

FIXED ASSETS

During the year the company had incurred progress payments of £397,000 on a building under construction, disposed of a property valued at £210,000. In addition motor cars were replaced to the value of £110,000 and £300,000 has been spent on further office telecommunication, computers and equipment, necessary for the development of the company.

EMPLOYEE INVOLVEMENT

A news bulletin is distributed to all employees and includes articles relating to company activities.

**DIRECTORS' REPORT****DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1. All directors served throughout the year.

The directors' interests in the ordinary shares of the Company at 28 February 1998 and 1 March 1997 were:

	Ordinary shares of £1 each	
	1998	1997
R Burke	-	-
P V Cornford	11,500	6,000
L J Gray	-	12,000
P G Keates	11,500	6,000
N D Pickles	11,500	6,000

L J Gray has waived all entitlements to dividends.

DONATIONS

The company has agreed a charitable donation of £50,000 (1997 - £50,000).

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the year.

AUDITORS

A resolution to reappoint Deloitte & Touche will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

N D Pickles
Secretary

28 July

1998

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



AUDITORS' REPORT TO THE MEMBERS OF NUMERICALLY CONTROLLED MACHINE TOOLS LIMITED

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 28 February 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

28 July 1998

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 28 February 1998

	Note	1998 £'000	1997 £'000
TURNOVER	2	26,115	22,666
Cost of sales		(17,022)	(15,458)
Gross profit		9,093	7,208
Administrative costs		(6,039)	(4,794)
Distribution costs		(718)	(630)
OPERATING PROFIT	2	2,336	1,784
Interest receivable and similar income	5	344	225
Interest payable and similar charges	6	(83)	(65)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,597	1,944
Tax on profit on ordinary activities	7	(919)	(763)
PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION		1,678	1,181
Equity dividends	8	(500)	(167)
Retained profit for the year		1,178	1,014
All activities derive from continuing operations.			



STATEMENTS OF MOVEMENTS ON RESERVES
Year ended 28 February 1998

	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
The Group				
Balance at 1 March 1997	187	125	3,553	3,865
Profit retained for the year	-	-	1,178	1,178
Revaluation of property	45	-	-	45
Balance at 28 February 1998	232	125	4,731	5,088
The Company				
Balance at 1 March 1997	187	125	3,719	4,031
Profit retained for the year	-	-	1,329	1,329
Revaluation of property	45	-	-	45
Balance at 28 February 1998	232	125	5,048	5,405


**CONSOLIDATED BALANCE SHEET
28 February 1998**

		1998 £'000	1997 £'000
FIXED ASSETS			
Tangible assets	10	1,706	1,451
		1,706	1,451
CURRENT ASSETS			
Stocks	12	7,589	6,034
Debtors	13	8,224	2,568
Cash at bank and in hand		6,097	2,997
		21,910	11,599
CREDITORS: amounts falling due within one year	14	(17,958)	(8,674)
NET CURRENT ASSETS		3,952	2,925
TOTAL ASSETS LESS CURRENT LIABILITIES		5,658	4,376
PROVISIONS FOR LIABILITIES AND CHARGES			
Machinery reserve	15	(445)	(386)
		5,213	3,990
CAPITAL AND RESERVES			
Called up share capital	17	125	125
Profit and loss account		4,731	3,553
Revaluation reserve		232	187
Capital redemption reserve		125	125
EQUITY SHAREHOLDERS' FUNDS		5,213	3,990

These financial statements were approved by the Board of Directors on 28 July 1998.

Signed on behalf of the Board of Directors

R Burke

P Keates


**PARENT COMPANY BALANCE SHEET
28 February 1998**

		1998 £'000	1997 £'000
FIXED ASSETS			
Tangible assets	10	1,706	1,451
Investments	11	-	-
		<u>1,706</u>	<u>1,451</u>
CURRENT ASSETS			
Stocks	12	7,397	5,833
Debtors	13	8,733	2,928
Cash at bank and in hand		6,097	2,997
		<u>22,227</u>	<u>11,758</u>
CREDITORS: amounts falling due within one year			
Creditors	14	(17,958)	(8,667)
		<u>4,269</u>	<u>3,091</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,975</u>	<u>4,542</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Machinery reserve	15	(445)	(386)
		<u>5,530</u>	<u>4,156</u>
CAPITAL AND RESERVES			
Called up share capital	17	125	125
Profit and loss account		5,048	3,719
Revaluation reserve		232	187
Capital redemption reserve		125	125
		<u>5,530</u>	<u>4,156</u>
EQUITY SHAREHOLDERS' FUNDS		<u>5,530</u>	<u>4,156</u>

These financial statements were approved by the Board of Directors on 28 July 1998.

Signed on behalf of the Board of Directors

R Burke

P Keates


CONSOLIDATED CASH FLOW STATEMENT
Year ended 28 February 1998

	Note	1998 £'000	1998 £'000	1997 £'000	1997 £'000
Net cash inflow/(outflow) from operating activities	1		5,352		(1,401)
Returns on investments and servicing of finance					
Interest received		344		225	
Interest paid		(83)		(65)	
		<u> </u>		<u> </u>	
Net cash inflow/(outflow) from returns on investments and servicing of finance			261		160
Taxation					
Corporation tax paid (including advance corporation tax)			(851)		(476)
Capital expenditure					
Payments to acquire tangible fixed assets		(809)		(354)	
Receipts from sale of tangible fixed assets		230		174	
		<u> </u>		<u> </u>	
Net cash outflow from capital expenditure			(579)		(180)
Dividends					
Equity dividends paid			(167)		(165)
			<u> </u>		<u> </u>
Net cash inflow/(outflow) before management of liquid resources and financing			4,016		(2,062)
Net cash flow from management of liquid resources and financing			-		-
			<u> </u>		<u> </u>
Increase/(decrease) in cash	2,3		<u>4,016</u>		<u>(2,062)</u>


NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 28 February 1998
1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1998 £'000	1997 £'000
Operating profit	2,336	1,784
Depreciation	378	153
Profit on sale of tangible fixed assets	(9)	(10)
Increase in stocks	(1,555)	(647)
(Increase)/decrease in debtors	(5,613)	2,271
Increase/(decrease) in creditors	9,756	(5,055)
Increase in machines reserve	59	103
Net cash inflow/(outflow) from operating activities	5,352	(1,401)

2. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

	1998 £'000	1997 £'000
Balance at 1 March	1,733	3,795
Net cash inflow/(outflow)	4,016	(2,062)
Balance at 28 February	5,749	1,733

3. ANALYSIS OF THE BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET

	1998 £'000	Change in year £'000	1997 £'000	Change in year £'000	1996 £'000
Cash at bank and in hand	6,097	3,100	2,997	(798)	3,795
Bank overdraft	(348)	916	(1,264)	(1,264)	-
Net	5,749	4,016	1,733	(2,062)	3,795

4. RECONCILIATION TO NET FUNDS

	1998 £'000	1997 £'000
Increase/(decrease) in cash for the year	4,016	(2,062)
Change in net funds	4,016	(2,062)
Net funds at 1 March	1,733	3,795
Net funds at 28 February	5,749	1,733


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 28 February 1998

	1998 £'000	1997 £'000
Profit for the financial year	1,178	1,014
Revaluation of fixed assets	45	-
Total recognised gains and losses relating to the year	<u>1,223</u>	<u>1,014</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 28 February 1998

	1998 £'000	1997 £'000
Profit on ordinary activities after taxation	1,678	1,181
Dividends	(500)	(167)
Other recognised gains and losses relating to the year	<u>1,178</u>	<u>1,014</u>
	45	-
Net additions to shareholders' funds	1,223	1,014
Opening shareholders' funds	3,990	2,976
Closing shareholders' funds	<u>5,213</u>	<u>3,990</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 28 February 1998

	1998 £'000	1997 £'000
Reported profit on activities before taxation	2,597	1,944
Realisation of property revaluation gains of earlier years	-	70
Historical cost profit on ordinary activities before taxation	<u>2,597</u>	<u>2,014</u>
Historical cost profit retained for the period after taxation and dividends	<u>1,178</u>	<u>1,084</u>

NOTES TO THE ACCOUNTS
Year ended 28 February 1998

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	10% per annum
Motor vehicles	25% per annum
Office equipment	20% per annum

Freehold and long leasehold property is not depreciated. Instead the property is valued every year and recorded at its market price.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Long-term contracts

Long-term contract work-in-progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the stage of completion, less provision for any known or anticipated losses and progress payments receivable on account.

Advance and progress payments are included under creditors to the extent that they exceed the related work-in-progress.

Work-in-progress is shown under stocks, except where it includes attributable profit when it is shown under debtors as amounts recoverable under contracts.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.



NOTES TO THE ACCOUNTS
Year ended 28 February 1998

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date or at specific contract forward currency rates. These translation differences are dealt with in the profit and loss account.

Machinery reserve

Full provision is made for likely services and spares costs in respect of machine tools sold and which are still under warranty at the year end.

Machine tool sales

The profit on sale of machine tools is taken on acceptance by customers that the machines are working to the agreed performance criteria.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax.

Pensions

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. ANALYSES OF TURNOVER AND OPERATING PROFIT

	Turnover		Operating profit	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Machine tools and related equipment	22,636	19,625	2,025	1,364
Tooling	772	613	69	43
Service and spares	2,707	2,428	242	169
	<u>26,115</u>	<u>22,666</u>	<u>2,336</u>	<u>1,576</u>


NOTES TO THE ACCOUNTS
Year ended 28 February 1998
3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1998 £'000	1997 £'000
Directors' emoluments		
Emoluments (excluding pension contributions)	387	343
Remuneration of highest paid director	139	130
Four directors were members of a defined contribution pension scheme.		
Employees	No.	No.
Average number of persons employed		
Service and other engineers	58	53
Sales and technical engineers	21	20
Administration	29	27
	108	100
Staff costs during the year (including directors) in respect of these employees were:	£'000	£'000
Wages and salaries	2,998	2,553
Social security	405	345
Pension costs	273	200
	3,676	3,098

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998 £'000	1997 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation on owned assets	378	153
Auditors' remuneration	22	18
Non audit fees	34	12
Operating lease charges:		
for motor vehicles	236	215
for hire of other assets	-	33

NOTES TO THE ACCOUNTS
Year ended 28 February 1998

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1998 £'000	1997 £'000
Bank interest	299	146
Other income	45	79
	<u>344</u>	<u>225</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £'000	1997 £'000
Interest payable on bank overdrafts and bank charges	<u>83</u>	<u>65</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge in the profit and loss account is made up as follows:

	1998 £'000	1997 £'000
UK corporation tax: at the rate of 31% (1997 - 33%) based on the profit for the year	888	778
Deferred taxation	32	9
Adjustment in respect of prior years' deferred taxation	(1)	(24)
	<u>919</u>	<u>763</u>

The excessive tax charge is due to items charged in the profit and loss account not allowable for tax purposes.

8. EQUITY DIVIDENDS

	1998 per share	1998 £'000	1997 per share	1997 £'000
Final proposed	<u>£4</u>	<u>500</u>	<u>£2</u>	<u>167</u>

The trustees of trusts in which 29,601 shares are held waived their right to dividends. L J Gray who holds 12,000 shares waived her right to dividends.


NOTES TO THE ACCOUNTS
Year ended 28 February 1998
9. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year before dividends amounted to £1,829,000 (1997 - £1,367,000).

10. TANGIBLE FIXED ASSETS

Group and company	Freehold properties £'000	Long leasehold property £'000	Leasehold improve- ments £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost or valuation						
At 1 March 1997	746	160	552	219	970	2,647
Additions	-	397	-	110	300	807
Revaluation	45	-	-	-	-	45
Disposals	(210)	-	-	(51)	(177)	(438)
At 28 February 1998	581	557	552	278	1,093	3,061
Accumulated depreciation						
At 1 March 1997	-	-	476	75	645	1,196
Charge for the year	18	5	21	56	278	378
Disposals	-	-	-	(42)	(177)	(219)
At 28 February 1998	18	5	497	89	746	1,355
Net book value						
At 28 February 1998	563	552	55	189	347	1,706
At 29 February 1997	746	160	76	144	325	1,451

The freehold properties were revalued during the year by the directors on a current open market basis.

The historical cost of these properties was £350,000.

11. INVESTMENTS HELD AS FIXED ASSETS

The subsidiaries of the company which are wholly owned and registered in England and Wales are as follows:

Company	Country of incorporation	Activity	Proportion of ordinary shares held
NCMT Automation Ltd	Great Britain	Factory Automation	100%
Eton Machine Tools Ltd	Great Britain	Sale of Machine Tools	100%


NOTES TO THE ACCOUNTS
Year ended 28 February 1998
12. STOCKS

	Group		Company	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Machine tools and related equipment:				
Cost	12,662	7,911	12,487	7,712
Less payments on account	(6,217)	(2,934)	(6,217)	(2,934)
Net cost	6,445	4,977	6,270	4,778
Tooling	217	206	217	206
Spares	910	849	910	849
Automation	17	2	-	-
	<u>7,589</u>	<u>6,034</u>	<u>7,397</u>	<u>5,833</u>

13. DEBTORS

	Group		Company	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Trade debtors	5,727	1,513	5,679	1,513
Amounts owed by subsidiary undertakings	-	-	557	360
ACT recoverable	125	50	125	50
Deferred tax (see note 16)	377	409	377	409
Other debtors	23	16	23	16
Prepayments	182	89	182	89
Accrued income	1,790	491	1,790	491
	<u>8,224</u>	<u>2,568</u>	<u>8,733</u>	<u>2,928</u>


NOTES TO THE ACCOUNTS
Year ended 28 February 1998
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Bank overdraft	348	1,264	348	1,264
Payments on account of stock	6,217	2,469	6,217	2,469
Trade creditors	7,445	1,512	7,445	1,512
Other taxes and social security	416	467	416	467
Current corporation tax	1,171	1,060	1,171	1,053
ACT payable	125	50	125	50
Accruals	1,736	1,685	1,736	1,685
Proposed dividend	500	167	500	167
	<u>17,958</u>	<u>8,674</u>	<u>17,958</u>	<u>8,667</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Group and Company	
	1998 £'000	1997 £'000
Machinery reserve		
Provision at 1 March	386	283
Movement in year:		
Charge to the profit and loss account	59	103
Provision at 28 February	<u>445</u>	<u>386</u>

16. DEFERRED TAX

	Provided 1998 £'000	Provided 1997 £'000	Not provided 1998 £'000	Not provided 1997 £'000
Deferred tax at 31% (1997 - 33%) on the following items				
Capital allowances in excess of depreciation	-	(7)	(42)	-
Other short term timing differences	(377)	(402)	(37)	(39)
	<u>(377)</u>	<u>(409)</u>	<u>(79)</u>	<u>(39)</u>

A deferred tax asset has arisen due to the difference in the method of recognition of profit on machine sales for accounting and tax purposes.



NOTES TO THE ACCOUNTS
Year ended 28 February 1998

16. DEFERRED TAX (continued)

	1998 £'000	1997 £'000
Deferred tax		
Balance at 1 March	(409)	(394)
Current year charge	32	9
Prior year credit	-	(24)
	<u> </u>	<u> </u>
Balance at 28 February	<u>(377)</u>	<u>(409)</u>

17. CALLED UP SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
125,000 ordinary shares of £1 each	<u>125</u>	<u>125</u>

As at 28 February 1998, the parent company had options outstanding for 3,700 shares.

These options are exercisable by employees at £12 per share before 30 November 2001.

18. OPERATING LEASE COMMITMENTS

At 28 February 1998, the Group was committed to making the following payments during the next year in respect of operating leases:

	1998 £'000
Leases which expire:	
Within one year	40
Within two to five years	<u>119</u>
	<u>159</u>

19. PENSION SCHEMES

The company runs money purchase pension schemes subject to review by professional pension advisers. Employees aged between 18 and 65 years are entitled to join the Scheme. Employees and the employer are required to contribute at a minimum rate of 2.5% for employees and 7.5% for the employer.



NOTES TO THE ACCOUNTS

Year ended 28 February 1998

20. OTHER FINANCIAL COMMITMENTS

The company has undertaken to repurchase shares for a total consideration of £3 million. The first tranche of the purchase occurred on 22 May 1998. The remaining shares will be repurchased in equal amounts at six monthly intervals from the date of the first purchase.