

Singapore

**NUMERICALLY CONTROLLED
MACHINE TOOLS LIMITED**

Report and Financial Statements

29 February 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

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
Beaucherc House
3 Queens Road
Reading
Berkshire RG1 4AR

SOLICITORS

Lovegrove & Elliot
4 Park Street
Windsor
Berkshire
SL4 1JS

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 29 February 2000.

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 services support function.

An increasing feature of the activities is the provision of full services to implement and support customer manufacturing programmes effectively on an outsourcing basis.

REVIEW OF DEVELOPMENTS

The new technical and research and development centre based in Coventry continues to expand in terms of capability. Several key contracts supporting our customers' manufacturing programmes have been developed and concluded.

NCMT continues to develop in-house engineering resources and to propose manufacturing opportunities whereby customers can reduce manufacturing costs. This requirement is increasingly necessary in order to maintain UK manufacturing capability on the world stage with particular reference to the strong Pound and the fact that other manufacturing costs are lower overseas. This is enhanced by other developments, including financial engineering, that can extend full support to our customers. This concept is being taken further.

FUTURE PROSPECTS

The directors remain optimistic about long term prospects for growth and developing the company's engineering capability. The investments already made by the company play an increasing role in this regard and it is anticipated benefits will flow into the first decade of the new Millennium.

UK manufacturing continues to suffer in part through the strong Pound. There is a perception that UK manufacturing generally needs to cut costs. The company believes this can really only be achieved by investment in technology that has been developed specifically for this purpose. Historically, and this continues to be the case, investment levels in the UK lag far behind other developed countries and accordingly UK manufacturing will struggle to remain competitive on the world stage. There continues to be little incentive or encouragement for investment being offered by HM Government and other Statutory Bodies.

RESULTS AND DIVIDENDS

Turnover from activities decreased by £2,592,000 (8%) from £33,083,000 to £30,491,000. Profit from operations decreased by £340,000 (14%) from £2,444,000 to £2,104,000.

The final dividend recommended by the directors is £4 per ordinary share (1999: £4 per ordinary share).

FIXED ASSETS

During the year the company continued to invest in telecommunications and the computerisation of the company was extended with a further investment of £245,000. Motor cars were replaced at a cost of £82,000.

DIRECTORS' REPORT

ACQUISITION OF OWN SHARES

As part of a share ownership rationalisation the company purchased 12,500 ordinary shares for £1,000,000 during the year. The majority of the employees of the company are shareholders and, where appropriate, the directors would consider opportunities to expand this shareholding.

EMPLOYEE INVOLVEMENT

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

YEAR 2000 ISSUES

The 'Millennium Bug' issues concluded with no material impact on the company or its operations. Costs overall in ensuring that there would not be a problem were not material to the company.

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 29 February 2000 and 1 March 1999 were:

	Ordinary shares of £1 each	
	2000	1999
	Number	Number
R Burke	-	-
P V Cornford	11,500	11,500
L J Gray	-	-
P G Keates	11,500	11,500
N D Pickles	11,500	11,500

The directors do not have any interests in the subsidiary companies.

DONATIONS

It is the intention of the directors to make a charitable donation of £50,000 (1999 - £50,000).

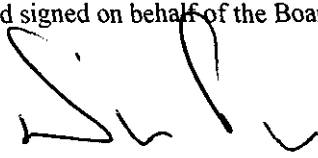
DIRECTORS' AND OFFICERS' LIABILITY

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

14 August 2000

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 a 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 29 February 2000 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

16 August 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 29 February 2000

	Note	2000 £'000	1999 £'000
TURNOVER	2	30,491	33,083
Cost of sales (including exceptional write back of provisions)	4	(21,889)	(23,415)
Gross profit		8,602	9,668
Administrative costs (including exceptional write back of provisions)	4	(5,708)	(6,403)
Distribution costs		(790)	(821)
OPERATING PROFIT		2,104	2,444
Interest receivable and similar income	6	168	416
Interest payable and similar charges	7	(114)	(146)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,158	2,714
Tax on profit on ordinary activities	8	(706)	(944)
PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION		1,452	1,770
Equity dividends	9	(375)	(425)
Retained profit for the year		1,077	1,345

All amounts derive from continuing operations.

The group has no recognised gains or losses other than the profit for the current and previous year.

STATEMENTS OF MOVEMENTS ON RESERVES**Year ended 29 February 2000**

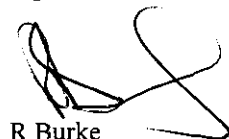
	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
The Group			
Balance at 1 March 1999	144	4,808	4,952
Profit retained for the year	-	1,077	1,077
Purchase of shares	12	(1,000)	(988)
Balance at 29 February 2000	156	4,885	5,041
The Company			
Balance at 1 March 1999	144	4,865	5,009
Profit retained for the year	-	1,088	1,088
Purchase of shares	12	(1,000)	(988)
Balance at 29 February 2000	156	4,953	5,109

CONSOLIDATED BALANCE SHEET
29 February 2000

		2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	11	3,310	3,437
CURRENT ASSETS			
Stocks	13	9,965	8,501
Debtors	14	3,569	6,812
Cash at bank and in hand	21	2,548	3,912
		16,082	19,225
CREDITORS: amounts falling due within one year	15	(12,652)	(15,848)
NET CURRENT ASSETS		3,430	3,377
TOTAL ASSETS LESS CURRENT LIABILITIES		6,740	6,814
PROVISIONS FOR LIABILITIES AND CHARGES			
Warranty provision	16	(592)	(570)
Mortgage loan	17	(1,013)	(1,186)
		5,135	5,058
CAPITAL AND RESERVES			
Called up share capital	19	94	106
Capital redemption reserve		156	144
Profit and loss account		4,885	4,808
EQUITY SHAREHOLDERS' FUNDS		5,135	5,058

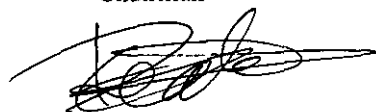
These financial statements were approved by the Board of Directors on 14 August 2000.

Signed on behalf of the Board of Directors



R Burke

Chairman



P G Keates

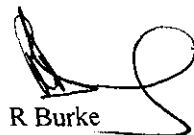
Director

COMPANY BALANCE SHEET
29 February 2000

		2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	11	3,310	3,437
Investments	12	-	-
		<u>3,310</u>	<u>3,437</u>
CURRENT ASSETS			
Stocks	13	9,707	8,139
Debtors	14	3,853	7,144
Cash at bank and in hand	21	2,548	3,912
		<u>16,108</u>	<u>19,195</u>
CREDITORS: amounts falling due within one year	15	(12,610)	(15,761)
		<u>3,498</u>	<u>3,434</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,808</u>	<u>6,871</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Warranty provision	16	(592)	(570)
Mortgage loan	17	(1,013)	(1,186)
		<u>5,203</u>	<u>5,115</u>
CAPITAL AND RESERVES			
Called up share capital	19	94	106
Capital redemption reserve		156	144
Profit and loss account		4,953	4,865
EQUITY SHAREHOLDERS' FUNDS		<u>5,203</u>	<u>5,115</u>

These financial statements were approved by the Board of Directors on 14th August 2000.

Signed on behalf of the Board of Directors


R Burke

Chairman


P G Keates

Director

CONSOLIDATED CASH FLOW STATEMENT**Year ended 29 February 2000**

	Note	£'000	2000 £'000	£'000	1999 £'000
Net cash inflow from operating activities	1		1,189		2,242
Returns on investments and servicing of finance					
Interest received		168		416	
Interest paid		(114)		(146)	
Net cash inflow from returns on investments and servicing of finance			54		270
Taxation					
Corporation tax paid (including advance corporation tax)			(771)		(1,296)
Capital expenditure					
Payments to acquire tangible fixed assets		(327)		(2,848)	
Receipts from sale of tangible fixed assets		28		468	
Net cash outflow from capital expenditure			(299)		(2,380)
Dividends					
Equity dividends paid			(408)		(500)
Net cash outflow before management of liquid resources and financing			(235)		(1,664)
Financing					
Purchase of own shares		(1,000)		(1,500)	
New borrowings		-		1,327	
Repayment of borrowings		(129)		-	
Net cash outflow from financing			(1,129)		(173)
Decrease in cash	2,4		(1,364)		(1,837)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 29 February 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£'000	£'000
Operating profit	2,104	2,444
Depreciation	421	608
Loss on sale of tangible fixed assets	5	71
Increase in stocks	(1,464)	(912)
Decrease in debtors	2,848	1,305
Decrease in creditors	(2,747)	(1,399)
Increase in warranty cost provision	22	125
Net cash inflow from operating activities	1,189	2,242

2. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

	2000	1999
	£'000	£'000
Balance at 1 March	3,912	5,749
Net cash outflow	(1,364)	(1,837)
Balance at 29 February	2,548	3,912

3. ANALYSIS OF THE BALANCES OF NET DEBT AS SHOWN IN THE BALANCE SHEET

	2000	Change	1999	Change	1998
	£'000	in year	£'000	in year	£'000
Cash at bank and in hand	2,548	(1,364)	3,912	(2,185)	6,097
Bank overdraft	-	-	-	348	(348)
Debt due within one year	(185)	(44)	(141)	(141)	-
Debt due after one year	(1,013)	173	(1,186)	(1,186)	-
Net	1,350	(1,235)	2,585	(3,164)	5,749

4. RECONCILIATION TO NET FUNDS

	2000	1999
	£'000	£'000
Decrease in cash for the year	(1,364)	(1,837)
Cash inflow/(outflow) from increase/(decrease) in debt financing	129	(1,327)
Change in net funds	(1,235)	(3,164)
Net funds at 1 March	2,585	5,749
Net funds at 29 February	1,350	2,585

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 29 February 2000

	2000	1999
	£'000	£'000
Profit on ordinary activities after taxation	1,452	1,770
Dividends	(375)	(425)
	1,077	1,345
Purchase of shares	(1,000)	(1,500)
Net addition to/(reduction in) shareholders' funds	77	(155)
Opening shareholders' funds	5,058	5,213
Closing shareholders' funds	<u>5,135</u>	<u>5,058</u>

NOTES TO THE ACCOUNTS**Year ended 29 February 2000****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.

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 or for the duration of any lease, whichever is the lower
Motor vehicles	25% per annum
Office equipment	33 $\frac{1}{3}$ %/20% per annum
Freehold and long leasehold property	4% per annum

Investments

Investments held as fixed assets are stated at cost less provision for any impairment 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, (invariably on acceptance by customers that machines are working to the agreed performance criteria) 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.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

NOTES TO THE ACCOUNTS**Year ended 29 February 2000****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.

Warranty costs

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.

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

	Turnover	
	2000	1999
	£'000	£'000
Machine tools, automation and related equipment	26,030	28,997
Tooling	1,348	1,089
Service and spares	3,113	2,997
	30,491	33,083

All turnover is derived within the United Kingdom.

NOTES TO THE ACCOUNTS

Year ended 29 February 2000

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £'000	1999 £'000
Directors' emoluments		
Emoluments (excluding pension contributions)	424	432
	<u>£'000</u>	<u>£'000</u>
 Remuneration of highest paid director	 138	 143
	<u></u>	<u></u>

Three directors were members of a defined contribution pension scheme. The aggregate of contribution paid to directors in respect of a defined contribution pension scheme was £148,000 (1999 - £122,000).

The contribution paid on behalf of the highest paid director in respect of a defined contribution pension scheme was £65,500 (1999 - £50,000).

	No.	No.
Employees		
Average number of persons employed		
Service and other engineers	68	63
Sales and technical engineers	22	22
Administration	32	30
	<u>122</u>	<u>115</u>
	<u>£'000</u>	<u>£'000</u>
 Staff costs during the year (including directors) in respect of these employees were:		
Wages and salaries	4,105	3,577
Social security	531	456
Pension costs	574	348
	<u>5,210</u>	<u>4,381</u>

4. EXCEPTIONAL ITEMS

	2000 £'000	1999 £'000
Write back of reorganisation provision	75	-
Write back of provision through cost of sales	246	-
	<u>321</u>	<u>-</u>

This relates to the write back of provisions made in earlier years which do not comply with the requirements of FRS12.

NOTES TO THE ACCOUNTS

Year ended 29 February 2000

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£'000	£'000
Profit on ordinary activities before taxation is after charging:		
Depreciation on owned assets	421	608
Auditors' remuneration - group	24	22
- company	19	-
Non audit fees	4	34
Operating lease charges:		
for motor vehicles	282	267
	<u>282</u>	<u>267</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£'000	£'000
Bank interest	168	263
Other income	-	153
	<u>168</u>	<u>416</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£'000	£'000
Interest payable on bank overdrafts and bank charges	114	146
	<u>114</u>	<u>146</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2000	1999
	£'000	£'000
UK corporation tax:		
At the rate of 30% (1999 - 31%)	576	963
Adjustment in respect of prior year	(265)	(1)
Deferred taxation	395	(18)
	<u>706</u>	<u>944</u>

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

NOTES TO THE ACCOUNTS**Year ended 29 February 2000****9. EQUITY DIVIDENDS**

	2000 per share	2000 £'000	1999 per share	1999 £'000
Final proposed	£4	375	£4	425

The trustees of trusts in which 16,732 shares are held waived their right to dividends.

10. 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 £1,476,000 (1999 - £1,550,000).

11. 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						
At 1 March 1999	186	2,921	552	292	1,270	5,221
Additions	-	-	-	82	245	327
Disposals	-	-	-	(51)	(96)	(147)
At 29 February 2000	186	2,921	552	323	1,419	5,401
Accumulated depreciation						
At 1 March 1999	9	256	519	85	915	1,784
Charge for the year	4	87	22	76	232	421
Disposals	-	-	-	(18)	(96)	(114)
At 29 February 2000	13	343	541	143	1,051	2,091
Net book value						
At 29 February 2000	173	2,578	11	180	368	3,310
At 28 February 1999	177	2,665	33	207	355	3,437

12. 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 29 February 2000

13. STOCKS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Machine tools and related equipment:				
Cost	12,048	11,890	11,909	11,582
Less payments on account	(3,547)	(4,556)	(3,547)	(4,556)
Net cost	8,501	7,334	8,362	7,026
Tooling	247	201	247	201
Spares	1,098	912	1,098	912
Automation	119	54	-	-
	9,965	8,501	9,707	8,139

14. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	3,196	5,934	3,004	5,908
Amounts owed by subsidiary undertakings	-	-	476	358
Deferred tax (see note 18)	-	395	-	395
Other debtors	18	22	18	22
Prepayments	252	107	252	107
Accrued income	103	354	103	354
	3,569	6,812	3,853	7,144

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Mortgage loan (see note 22)	185	141	185	141
Payments on account of stock	4,141	4,909	4,141	4,909
Trade creditors	5,190	5,180	5,157	5,177
Other taxes and social security	520	424	520	425
Current corporation tax	341	801	353	716
Accruals	1,883	3,968	1,862	3,968
Proposed dividend	392	425	392	425
	12,652	15,848	12,610	15,761

NOTES TO THE ACCOUNTS
Year ended 29 February 2000

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Group and Company	
	2000	1999
	£'000	£'000
Warranty costs		
Provision at 1 March	570	445
Movement in year:		
Charge to the profit and loss account	22	125
Provision at 29 February	<u>592</u>	<u>570</u>

This relates to the warranties granted on machines sold. The calculation has been based on the percentage of the total warranty included in the period, and the weighted average revenue relating to this period.

17. MORTGAGE LOAN

	Group and Company	
	2000	1999
	£'000	£'000
Mortgage loan (note 22)	<u>1,013</u>	<u>1,186</u>

18. DEFERRED TAX

	Provided	Provided	Not	Not
	2000	1999	Provided	provided
	£'000	£'000	2000	1999
			£'000	£'000
Deferred tax at 0% (1999 - 31%) on the following items:				
Capital allowances in excess of depreciation	-	-	(122)	(57)
Gain deferred by roll over relief	-	-	7	63
Other short term timing differences	-	(395)	-	-
	<u>-</u>	<u>(395)</u>	<u>(114)</u>	<u>6</u>
			2000	1999
			£'000	£'000
Deferred tax				
Balance at 1 March			(395)	(377)
Current year (credit)/charge			395	(18)
Balance at 29 February			<u>-</u>	<u>(395)</u>

NOTES TO THE ACCOUNTS

Year ended 29 February 2000

19. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised:		
1,000,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
93,750 (1999 – 106,250) ordinary shares of £1 each	94	106

During the year the company purchased 12,500 ordinary shares of £1 each for £1,000,000.

As at 29 February 2000, the parent company had options outstanding, which are exercisable by employees, as follows:

Number of shares	Option price per share	Option period ending
1,400	£12	30 November 2001

20. OPERATING LEASE COMMITMENTS

At 29 February 2000, the Group was committed to making the following payments during the next year in respect of operating leases:

	2000 Other £'000	1999 Other £'000
Leases which expire:		
Within one year	83	24
Within two to five years	176	279
	259	303

The figures for 1999 have been restated from £201,000 and £270,000 respectively.

21. CASH AT BANK AND IN HAND

	Group and Company 2000 £'000	1999 £'000
Cash at bank and in hand	2,548	3,912

The cash balance includes a restricted holding of £29,000 (1999 - £1.6m). The restriction on these funds will be released on acceptance of machine sales by customers.

NOTES TO THE ACCOUNTS**Year ended 29 February 2000****22. BORROWINGS**

	Group and Company	
	2000	1999
	£'000	£'000
Analysis of loan repayments:		
Mortgage loan:		
Within one year	185	141
Between two and five years	922	844
After five years	91	342
	1,198	1,327

The mortgage loan bears interest at 2% above the bank's base rate.

The mortgage loan is secured by a debenture incorporating fixed and floating charges on the assets of the group.

The mortgage loan is due to be repaid by June 2005.

23. 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.

24. OTHER FINANCIAL COMMITMENTS

The company has undertaken to repurchase shares for a total consideration of £3 million. As at 29 February 2000 £0.5 million remained outstanding.

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the dispensation available under paragraph 3(c) of FRS 8 not to disclose transactions with fellow group companies.