

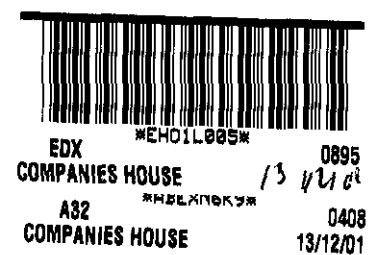
NCMT LIMITED

(Previously Numerically Controlled Machine Tools Limited)

Report and Financial Statements

28 February 2001

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



14-12-01 135

REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Burke (Chairman)
P V Cornford
L J Gray (Resigned 21 September 2000)
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 28 February 2001.

ACTIVITIES

NCMT Limited 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 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 has focused our engineering resources to provide cost effective manufacturing solutions to our customers. This is vitally necessary with the ongoing strong pound which has seen exporting companies come under severe pressure. Manufacturing opportunities within the UK continue to suffer. It is considered vital that the highest technology capability is necessary to achieve competitive edge as far as international trade is concerned.

FUTURE PROSPECTS

The directors remain optimistic about long term prospects particularly with regard to development of high technology. The company's investment in the technical and research and development centre in Coventry plays a key role in this regard. Additionally, there has been extensive liaison with the major suppliers to achieve machine tool products that remain focused on achieving the best competitive opportunities for customers. The company continues to look at opportunities that can put added value to the high technology aspect of our engineering capability.

NAME CHANGE

As at 13 October 2000 the company officially changed the company name to NCMT Limited to reflect the trading name that has been used for many years.

RESULTS AND DIVIDENDS

Turnover from activities decreased by, £1,168,000 (4%) from £30,491,000 to £29,323,000. Profit from operations decreased by £972,000 (46%) from £2,104,000 to £1,132,000.

The final dividend recommended by the directors is £5 per ordinary share (2000: £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 £66,000. Motor cars were replaced at a cost of £135,000.

DIRECTORS' REPORT (continued)

ACQUISITION OF OWN SHARES

As part of a share ownership rationalisation the company purchased 6,250 ordinary shares for £500,000 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.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. All directors served throughout the year with the exception of L J Gray who resigned on 21 September 2000.

The directors' interests in the ordinary shares of the Company at 28 February 2001 and 1 March 2000 were:

	Ordinary shares of £1 each	
	2001 Number	2000 Number
R Burke	-	-
P V Cornford	11,500	11,500
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 £62,500 (2000 - £50,000).

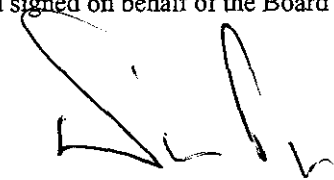
DIRECTORS' AND OFFICERS' LIABILITY

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

20 July 2001

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; and
- 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
NCMT LIMITED
(Previously 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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants
and Registered Auditors

20 July 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 28 February 2001

	Note	2001 £'000	2000 £'000
TURNOVER	2	29,323	30,491
Cost of sales (including exceptional write back of provisions)	4	(21,513)	(21,889)
Gross profit		7,810	8,602
Administrative costs (including exceptional write back of provisions)	4	(5,839)	(5,708)
Distribution costs		(839)	(790)
OPERATING PROFIT		1,132	2,104
Interest receivable and similar income	6	113	168
Interest payable and similar charges	7	(89)	(114)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,156	2,158
Tax on profit on ordinary activities	8	(384)	(706)
PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION		772	1,452
Equity dividends	9	(344)	(375)
Retained profit for the year		428	1,077

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 28 February 2001

	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
The Group			
Balance at 1 March 2000	156	4,885	5,041
Profit retained for the year	-	428	428
Purchase of shares	6	(500)	(494)
Balance at 28 February 2001	162	4,813	4,975
The Company			
Balance at 1 March 2000	156	4,953	5,109
Profit retained for the year	-	360	360
Purchase of shares	6	(500)	(494)
Balance at 28 February 2001	162	4,813	4,975

CONSOLIDATED BALANCE SHEET
28 February 2001

		2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	11	3,170	3,310
CURRENT ASSETS			
Stocks	13	7,991	9,965
Debtors	14	5,286	3,569
Cash at bank and in hand	21	1,357	2,548
		14,634	16,082
CREDITORS: amounts falling due within one year	15	(11,467)	(12,652)
NET CURRENT ASSETS		3,167	3,430
TOTAL ASSETS LESS CURRENT LIABILITIES		6,337	6,740
PROVISIONS FOR LIABILITIES AND CHARGES			
Warranty provision	16	(466)	(592)
Mortgage loan	17	(808)	(1,013)
		5,063	5,135
CAPITAL AND RESERVES			
Called up share capital	19	88	94
Capital redemption reserve		162	156
Profit and loss account		4,813	4,885
EQUITY SHAREHOLDERS' FUNDS		5,063	5,135

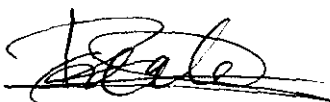
These financial statements were approved by the Board of Directors on 20 July 2001.

Signed on behalf of the Board of Directors



R Burke

Chairman



P G Keates

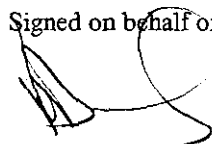
Director

COMPANY BALANCE SHEET
28 February 2001

		2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	11	3,170	3,310
Investments	12	-	-
		<u>3,170</u>	<u>3,310</u>
CURRENT ASSETS			
Stocks	13	7,817	9,707
Debtors	14	5,443	3,853
Cash at bank and in hand	21	1,357	2,548
		<u>14,617</u>	<u>16,108</u>
CREDITORS: amounts falling due within one year	15	<u>(11,450)</u>	<u>(12,610)</u>
NET CURRENT ASSETS		<u>3,167</u>	<u>3,498</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,337</u>	<u>6,808</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Warranty provision	16	(466)	(592)
Mortgage loan	17	(808)	(1,013)
		<u>5,063</u>	<u>5,203</u>
CAPITAL AND RESERVES			
Called up share capital	19	88	94
Capital redemption reserve		162	156
Profit and loss account		4,813	4,953
EQUITY SHAREHOLDERS' FUNDS		<u>5,063</u>	<u>5,203</u>

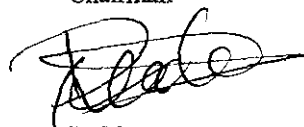
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Signed on behalf of the Board of Directors



R Burke

Chairman



P G Keates

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 28 February 2001

	Note	2001 £'000	2000 £'000
Net cash inflow from operating activities	1	682	1,189
Returns on investments and servicing of finance			
Interest received		113	168
Interest paid		(88)	(114)
Net cash inflow from returns on investments and servicing of finance		25	54
Taxation			
Corporation tax paid (including advance corporation tax)		(628)	(771)
Capital expenditure			
Payments to acquire tangible fixed assets		(243)	(327)
Receipts from sale of tangible fixed assets		50	28
Net cash outflow from capital expenditure		(193)	(299)
Dividends			
Equity dividends paid		(392)	(408)
Net cash outflow before management of liquid resources and financing		(506)	(235)
Financing			
Purchase of own shares		(500)	(1,000)
Repayment of borrowings		(185)	(129)
Net cash outflow from financing		(685)	(1,129)
Decrease in cash in the period	2,4	(1,191)	(1,364)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 28 February 2001

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

	2001	2000
	£'000	£'000
Operating profit	1,132	2,104
Depreciation	373	421
(Loss)/profit on sale of tangible fixed assets	(20)	5
Decrease/(increase) in stocks	1,974	(1,464)
(Increase)/decrease in debtors	(1,717)	2,848
(Decrease) in creditors	(934)	(2,747)
(Decrease)/increase in warranty cost provision	(126)	22
Net cash inflow from operating activities	682	1,189

2. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

	2001	2000
	£'000	£'000
Balance at 1 March 2000	2,548	3,912
Net cash outflow	(1,191)	(1,364)
Balance at 28 February 2001	1,357	2,548

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

	2001	Change	2000	Change	1999
	£'000	in year	£'000	in year	£'000
Cash at bank and in hand	1,357	(1,191)	2,548	(1,364)	3,912
Debt due within one year	(205)	(20)	(185)	(44)	(141)
Debt due after one year	(808)	205	(1,013)	173	(1,186)
Net	344	(1,006)	1,350	(1,235)	2,585

4. RECONCILIATION TO NET FUNDS

	2001	2000
	£'000	£'000
Decrease in cash for the year	(1,191)	(1,364)
Cash outflow from decrease in debt financing	185	129
Change in net funds	(1,006)	(1,235)
Net funds at 1 March 2000	1,350	2,585
Net funds at 28 February 2001	344	1,350

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Year ended 28 February 2001**

	2001 £'000	2000 £'000
Profit on ordinary activities after taxation	772	1,452
Dividends	(344)	(375)
	<u>428</u>	<u>1,077</u>
Purchase of shares	(500)	(1,000)
	<u>(72)</u>	<u>77</u>
Net (reduction in)/addition to shareholders' funds	(72)	77
Opening shareholders' funds	5,135	5,058
Closing shareholders' funds	<u>5,063</u>	<u>5,135</u>

NOTES TO THE ACCOUNTS
Year ended 28 February 2001

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 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 28 February 2001

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	
	2001 £'000	2000 £'000
Machine tools, automation and related equipment	24,591	26,030
Tooling	1,040	1,348
Service and spares	3,692	3,113
	<u>29,323</u>	<u>30,491</u>

All turnover is derived within the United Kingdom.

NOTES TO THE ACCOUNTS

Year ended 28 February 2001

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £'000	2000 £'000
Directors' emoluments		
Emoluments (excluding pension contributions)	407	424
	<u>£'000</u>	<u>£'000</u>
Remuneration of highest paid director	139	138
	<u>£'000</u>	<u>£'000</u>
Three directors were members of a defined contribution pension scheme. The aggregate of contributions paid to directors in respect of a defined contribution pension scheme was £205,300 (2000 - £148,000).		
The contribution paid on behalf of the highest paid director in respect of a defined contribution pension scheme was £76,300 (2000 - £65,000).		
	No.	No.
Employees		
Average number of persons employed		
Service and other engineers	67	68
Sales and technical engineers	24	22
Administration	32	32
	<u>123</u>	<u>122</u>
	<u>£'000</u>	<u>£'000</u>
Staff costs during the year (including directors) in respect of these employees were:		
Wages and salaries	3,963	4,105
Social security	476	531
Pension costs	520	574
	<u>4,959</u>	<u>5,210</u>

4. EXCEPTIONAL ITEMS

	2001 £'000	2000 £'000
Write back of reorganisation provision	-	75
Write back of provision through cost of sales	-	246
	<u>-</u>	<u>321</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 28 February 2001

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £'000	2000 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation on owned assets	373	421
Auditors' remuneration - group	23	24
- company	20	19
Non audit fees	8	4
Operating lease charges: for motor vehicles	253	282
	<u>253</u>	<u>282</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £'000	2000 £'000
Bank interest	97	168
Other income	16	-
	<u>113</u>	<u>168</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £'000	2000 £'000
Interest payable on bank overdrafts and bank charges	89	114
	<u>89</u>	<u>114</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2001 £'000	2000 £'000
UK corporation tax:		
At the rate of 30% (2000 - 30%)	324	576
Adjustment in respect of prior year	60	(265)
Deferred taxation	-	395
	<u>384</u>	<u>706</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 28 February 2001

9. EQUITY DIVIDENDS

	2001 per share	2001 £'000	2000 per share	2000 £'000
Final proposed	£5	344	£4	375

The trustees of trusts in which 18,633 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 £704,000 (2000 - £1,476,000).

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 2000	186	2,921	552	323	1,419	5,401
Additions	-	-	-	135	108	243
Disposals	-	-	-	(124)	(6)	(130)
At 28 February 2001	186	2,921	552	334	1,521	5,514
Accumulated depreciation						
At 1 March 2000	13	343	541	143	1,051	2,091
Charge for the year	5	87	11	84	186	373
Disposals	-	-	-	(94)	(26)	(120)
At 28 February 2001	18	430	552	133	1,211	2,344
Net book value						
At 28 February 2001	168	2,491	-	201	310	3,170
At 29 February 2000	173	2,578	11	180	368	3,310

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 28 February 2001

13. STOCKS

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Machine tools and related equipment:				
Cost	9,171	12,048	8,997	11,909
Less payments on account	(2,415)	(3,547)	(2,415)	(3,547)
Net cost	6,756	8,501	6,582	8,362
Tooling	199	247	199	247
Spares	1,036	1,098	1,036	1,098
Automation	-	119	-	-
	<u>7,991</u>	<u>9,965</u>	<u>7,817</u>	<u>9,707</u>

14. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Trade debtors	4,158	3,196	4,154	3,004
Amounts owed by subsidiary undertakings	-	-	161	476
Other debtors	18	18	18	18
Prepayments	185	252	185	252
Accrued income	925	103	925	103
	<u>5,286</u>	<u>3,569</u>	<u>5,443</u>	<u>3,853</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Mortgage loan (see note 22)	205	185	205	185
Payments on account of stock	3,409	4,141	3,409	4,141
Trade creditors	4,647	5,190	4,647	5,157
Other taxes and social security	613	520	613	520
Current corporation tax	109	341	92	353
Accruals	2,140	1,883	2,140	1,862
Proposed dividend	344	392	344	392
	<u>11,467</u>	<u>12,652</u>	<u>11,450</u>	<u>12,610</u>

NOTES TO THE ACCOUNTS
Year ended 28 February 2001

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Group and Company	
	2001	2000
	£'000	£'000
Warranty costs		
Provision at 1 March	592	570
Movement in year:		
(Credit)/charge to the profit and loss account	(126)	22
Provision at 28 February	<u>466</u>	<u>592</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 year, and the weighted average revenue relating to this year.

17. MORTGAGE LOAN

	Group and Company	
	2001	2000
	£'000	£'000
Mortgage loan (note 22)	<u>808</u>	<u>1,013</u>

18. DEFERRED TAX

	Provided	Provided	Not	Not
	2001	2000	Provided	Provided
	£'000	£'000	2001	2000
			£'000	£'000
Deferred tax at 30% (2000 - 30%) on the following items:				
Capital allowances in excess of depreciation	-	-	(81)	(122)
Gain deferred by roll over relief	-	-	-	7
Other short term timing differences	-	-	(10)	-
	<u>-</u>	<u>-</u>	<u>(91)</u>	<u>(115)</u>

NOTES TO THE ACCOUNTS
Year ended 28 February 2001

19. CALLED UP SHARE CAPITAL

	2001	2000
	£'000	£'000
Authorised:		
1,000,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
(2001 - 87,500) ordinary shares of £1 each	88	94

During the year the company purchased 6,250 ordinary shares of £1 each for £500,000.

As at 28 February 2001, the parent company had options outstanding, which are exercisable by employees, as follows:

Number of shares	Option price per share	Option period ending
1,100	£12	30 November 2001

20. OPERATING LEASE COMMITMENTS

At 28 February 2001, the Group was committed to making the following payments during the next year in respect of operating leases:

	2001	2000
	Other	Other
	£'000	£'000
Leases which expire:		
Within one year	54	83
Within two to five years	463	447
	517	530

The figures for 2000 have been restated from £83,000 and £176,000 respectively.

21. CASH AT BANK AND IN HAND

	Group and Company	
	2001	2000
	£'000	£'000
Cash at bank and in hand	1,357	2,548

The cash balance includes a restricted holding of £403,000 (2000 - £29,000). The restriction on these funds will be released on acceptance of machine sales by customers.

NOTES TO THE ACCOUNTS
Year ended 28 February 2001

22. BORROWINGS

	Group and Company	
	2001	2000
	£'000	£'000
Analysis of loan repayments:		
Mortgage loan:		
Within one year	205	185
Between two and five years	808	922
After five years	-	91
	<u>1,013</u>	<u>1,198</u>

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. 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.