

Company Registration No. 794821

NCMT LIMITED

Report and Financial Statements

29 February 2004

**Deloitte & Touche LLP
London**



NCMT LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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NCMT LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P V Cornford
P G Keates
N D Pickles FCA

SECRETARY

N D Pickles FCA

REGISTERED OFFICE

Ferry Works
Summer Road
Thames Ditton
Surrey
KT7 0QJ

BANKERS

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

SOLICITORS

Lovegrove & Elliot
Fountain Court
32 Francis Road
Windsor
Berkshire
SL4 3AA

AUDITORS

Deloitte & Touche LLP
London

NCMT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 29 February 2004.

ACTIVITIES

NCMT Limited is engaged in the provision of engineering solutions and supply of machine tools and related equipment for UK manufacturing companies. Related capital equipment includes automation and contracts are supported by a full range of technical and engineering support activity. In addition the company provides full support throughout the operation of equipment and customers' manufacturing programmes.

REVIEW OF DEVELOPMENTS

UK Manufacturing has suffered a further significant year of decline and recession. Capital investment has continued at a very low level. Despite this the company has continued to invest and develop manufacturing technology that is focussed on cost reduction and the increase of throughput of manufacturing components.

FUTURE PROSPECTS

Trading prospects after two difficult years are showing signs of improvement. The directors can see a clear upturn in general business confidence and the company remains confident that it will return to profitability. The future focus on the new technology that has been developed will enable the company to move into new markets within the manufacturing sector.

RESULTS AND DIVIDENDS

Turnover from activities decreased by £6,098,000 (31%) from £19,669,000 to £13,571,000. Operating loss increased by £1,148,000 from a loss of £450,000 to a loss of £1,598,000.

During the year the 2002 dividend of £204,000 (£3 per share) was paid.

No dividend is proposed for the current year (2003 - £nil).

FIXED ASSETS

During the year the company continued to invest in telecommunications and computers at a cost of £13,000.

NCMT LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEE INVOLVEMENT

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

SHARE CAPITAL

At the AGM of the company on 17 September 2002 the share capital of the company was amended by Special Resolution. The authorised and issued £1 shares were changed to £0.10p shares on a 10:1 split.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year are shown on page 1. R Burke (Chairman) retired on 25 April 2003.

The directors' interests in the ordinary shares of the Company at 29 February 2004 and 1 March 2003 were:

	Ordinary shares	
	2004 Number	2003 Number
P V Cornford	115,000	115,000
P G Keates	115,000	115,000
N D Pickles	115,000	115,000

The directors do not have any interests in the share capital of any other group company requiring disclosure under the Companies Act 1985.

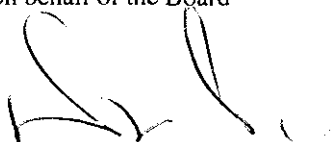
DONATIONS

The 2002 charitable donation of £41,667 was paid during the year.

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company has given its consent to treating the appointment of Deloitte & Touche as extended to Deloitte & Touche LLP with effect from 1 August 2003. A resolution for the re-appointment of Deloitte & Touche LLP 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

1st July 2004 

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 the system of internal control, safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NCMT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NCMT LIMITED

We have audited the financial statements of NCMT Limited for the year ended 29 February 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 company's circumstances, 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 the company's affairs as at 29 February 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

1 July

2004

NCMT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 29 February 2004

	Note	2004 £'000	2003 £'000
TURNOVER	2	13,571	19,669
Cost of sales		(10,530)	(14,551)
Gross profit		3,041	5,118
Administrative costs		(4,207)	(4,878)
Distribution costs		(432)	(690)
OPERATING LOSS		(1,598)	(450)
Interest receivable and similar income	5	10	24
Interest payable and similar charges	6	(72)	(81)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(1,660)	(507)
Tax (charge)/credit on loss on ordinary activities	7	(66)	76
RETAINED LOSS FOR THE YEAR TRANSFERRED FROM RESERVES	17	(1,726)	(431)

All amounts derive from continuing operations.

The company has no recognised gains or losses for the current and prior years other than as stated above.

NCMT LIMITED

BALANCE SHEET

As at 29 February 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	8	2,547	2,761
Investments	9	-	-
		<u>2,547</u>	<u>2,761</u>
CURRENT ASSETS			
Stocks	10	5,329	5,189
Debtors	11	1,616	3,677
Cash at bank and in hand		1,674	-
		<u>8,619</u>	<u>8,866</u>
CREDITORS: amounts falling due within one year	12	<u>(7,445)</u>	<u>(5,862)</u>
NET CURRENT ASSETS		<u>1,174</u>	<u>3,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,721</u>	<u>5,765</u>
CREDITORS: amounts falling due after one year	13	(82)	(308)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(301)</u>	<u>(364)</u>
		<u>3,338</u>	<u>5,093</u>
CAPITAL AND RESERVES			
Called up share capital	16	86	88
Capital redemption reserve	17	164	162
Profit and loss account	17	3,088	4,843
EQUITY SHAREHOLDERS' FUNDS	18	<u>3,338</u>	<u>5,093</u>

These financial statements were approved by the Board of Directors on 1 July 2004.

Signed on behalf of the Board of Directors

P G Keates

Director

N D Pickles

Director

CASH FLOW STATEMENT
Year ended 29 February 2004

	Notes to the cash flow statement	2004 £'000	2003 £'000	2003 £'000
Net cash inflow from operating activities	1		2,240	110
Returns on investments and servicing of finance				
Interest received		10	24	
Interest paid		(73)	(81)	
Net cash outflow from returns on investments and servicing of finance			(63)	(57)
Taxation				
Tax received/(paid)			135	(50)
Capital expenditure				
Payments to acquire tangible fixed assets		(13)	(171)	
Receipts from sale of tangible fixed assets		1	123	
Net cash outflow from capital expenditure			(12)	(48)
Dividends				
Equity dividends paid			(204)	-
Net cash inflow/(outflow) before financing			2,096	(45)
Financing				
Purchase of company shares		(29)	-	
Repayment of mortgage loan		(235)	(239)	
			(264)	(239)
Increase/(decrease) in cash in the year	3		1,832	(284)

NOTES TO THE CASH FLOW STATEMENT

Year ended 29 February 2004

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

	2004	2003
	£'000	£'000
Operating loss	(1,598)	(450)
Depreciation	227	272
Profit on sale of tangible fixed assets	(1)	(32)
(Increase)/decrease in stocks	(140)	5,878
Decrease in debtors	1,875	1,778
Increase/(decrease) in creditors	1,940	(7,346)
(Decrease)/increase in warranty cost provision	(63)	10
Net cash inflow from operating activities	2,240	110

2. ANALYSIS OF THE BALANCES OF NET (DEBT)/FUNDS AS SHOWN IN THE BALANCE SHEET

	2003	Cashflow	2004
	£'000	£'000	£'000
Cash at bank and in hand	-	1,674	1,674
Bank overdraft	(158)	158	-
	(158)	1,832	1,674
Debt due within one year	(252)	9	(243)
Debt due after one year	(308)	226	(82)
	(718)	2,067	1,349

3. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	2004	2003
	£'000	£'000
Increase/(decrease) in cash for the year	1,832	(284)
Cash outflow from decrease in debt financing	235	239
Change in net funds resulting from cash flows	2,067	(45)
Net debt at beginning of year	(718)	(673)
Net funds/(debt) at end of year	1,349	(718)

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom 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 NCMT Group meets the definition of a medium sized group and has taken advantage of the exemption from the requirement to prepare group financial statements. Accordingly, the financial statements present information about the company as an individual undertaking, with comparatives presented on the same basis.

Tangible fixed assets

Fixed assets are stated at cost net of depreciation.

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	The shorter of the duration of any lease and 10 years
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 impairment.

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.

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 expected 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 2004

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. 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 Company's ordinary activities after deduction of trade discounts and value added tax.

Pensions

The Company 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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets; and
- deferred tax assets are recognised only to the extent that directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

2. ANALYSIS OF TURNOVER

	Turnover	
	2004	2003
	£'000	£'000
Machine tools, automation and related equipment	9,160	15,235
Tooling	576	899
Service and spares	3,835	3,535
	<u>13,571</u>	<u>19,669</u>

Exports amounted to £360,000 (2003 - £500,000), all remaining turnover is derived within the United Kingdom.

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £'000	2003 £'000
Directors' emoluments		
Emoluments (including pension contributions and all taxable benefits)	439	505
	<u>£'000</u>	<u>£'000</u>
 Remuneration of highest paid director (including pension contributions and all taxable benefits)	 178	 180
	<u></u>	<u></u>

Three directors (2003 - three) were members of a defined contribution pension scheme. The aggregate of contributions paid to directors in respect of a defined contribution pension scheme was £43,930 (2003 - £33,930).

The contribution paid on behalf of the highest paid director in respect of a defined contribution pension scheme was £23,590 (2003 - £13,590).

	No.	No.
Employees		
Average number of persons employed:		
Service and other engineers	48	59
Sales and technical engineers	16	22
Administration	26	31
	<u>90</u>	<u>112</u>
	<u>£'000</u>	<u>£'000</u>
Staff costs during the year (including directors) in respect of these employees were:		
Wages and salaries	3,101	3,661
Social security	391	435
Pension costs	229	210
	<u>3,721</u>	<u>4,306</u>

NCMT LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £'000	2003 £'000
Loss on ordinary activities before taxation is after charging:		
Depreciation on owned assets	227	272
Redundancy costs	-	118
Write off of subsidiary companies' balances	68	-
Auditors' remuneration - audit services	22	19
- non audit services	7	28
Rentals under operating leases:		
Other operating leases	241	318
	<u>227</u>	<u>318</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004 £'000	2003 £'000
Bank interest	8	21
Other income	2	3
	<u>10</u>	<u>24</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £'000	2003 £'000
Interest payable on bank overdrafts and bank charges	72	81
	<u>72</u>	<u>81</u>

7. TAX (CHARGE)/CREDIT ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of tax charge/(credit) in the year

	2004		2003	
	£'000	£'000	£'000	£'000
<i>Current tax:</i>				
UK corporation tax on losses for the year	-		(156)	
Adjustments in respect of previous periods	35		4	
	<u>35</u>		<u>4</u>	
<i>Total current tax charge/(credit) (note b)</i>		35		(152)
<i>Deferred tax:</i>				
Reversal of timing differences	31		76	
	<u>31</u>		<u>76</u>	
<i>Total deferred tax</i>		31		76
<i>Tax charge/(credit) on loss on ordinary activities</i>		<u>66</u>		<u>(76)</u>

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

7. TAX (CHARGE)/CREDIT ON LOSS ON ORDINARY ACTIVITIES (continued)

b) Factors affecting tax charge/(credit) for period

The tax assessed for the year differs to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
Loss on ordinary activities before taxation	(1,660)	(507)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 - 30%)	(498)	(152)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	62	59
Capital allowances for year in excess of depreciation	(15)	(52)
Movement in short term timing differences	(16)	(13)
Group relief surrendered and not paid for	-	2
Adjustments to tax charge in respect of previous periods	(35)	4
Utilisation of tax losses	467	-
<i>Current tax charge/(credit) for period</i>	35	(152)

8. TANGIBLE FIXED ASSETS

	Freehold properties £'000	Long leasehold property £'000	Leasehold improve- ments £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost						
At 1 March 2003	186	2,921	558	238	1,585	5,488
Additions	-	-	-	-	13	13
Disposals	-	-	-	-	(8)	(8)
At 29 February 2004	186	2,921	558	238	1,590	5,493
Accumulated depreciation						
At 1 March 2003	26	604	553	100	1,444	2,727
Charge for the year	5	86	-	58	78	227
Disposals	-	-	-	-	(8)	(8)
At 29 February 2004	31	690	553	158	1,514	2,946
Net book value						
At 29 February 2004	155	2,231	5	80	76	2,547
At 28 February 2003	160	2,317	5	138	141	2,761

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

9. INVESTMENTS HELD AS FIXED ASSETS

The subsidiaries of the company, which were wholly owned and registered in England and Wales, were 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%

The subsidiaries were wound up as part of a corporate reorganisation in March 2004 and the intercompany balances fully provided for as at 29 February 2004.

The cost of the investments held at 29 February 2004 was £102 (2003 - £102). At the year end full provision has been made against the investments.

10. STOCKS

	2004 £'000	2003 £'000
Long term contracts:		
Costs incurred to date	1,761	4,387
Less payments on account	(1,223)	(4,387)
Net cost	538	-
Machine tools and related equipment	3,568	3,777
Tooling	153	147
Spares	1,070	1,265
	5,329	5,189

11. DEBTORS

	2004 £'000	2003 £'000
Trade debtors due within one year	1,176	3,022
Amounts owed by subsidiary undertakings	-	96
Other debtors	34	49
Prepayments	156	169
Accrued income	225	130
Corporation tax recoverable	-	155
Deferred tax asset (note 15)	25	56
	1,616	3,677

NCMT LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £'000	2003 £'000
Overdraft	-	158
Mortgage loan (note 20)	243	252
Payments on account	1,021	539
Trade creditors	4,144	3,204
Other taxes and social security	741	359
Current corporation tax	35	20
Proposed dividend	-	204
Accruals	1,261	1,126
	<u>7,445</u>	<u>5,862</u>

13. CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR

	2004 £'000	2003 £'000
Mortgage loan (note 20)	<u>82</u>	<u>308</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty provision £'000
At 1 March 2003	364
Current year credit	<u>(63)</u>
At 29 February 2004	<u>301</u>

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

15. DEFERRED TAXATION

The movement in deferred taxation is as follows:

	Deferred tax asset £'000
At 1 March 2003	56
Current year charge	<u>(31)</u>
At 29 February 2004	<u>25</u>

NOTES TO THE ACCOUNTS
Year ended 29 February 2004

15. DEFERRED TAXATION (continued)

The amount of deferred tax recognised in the financial statements is:

	Amounts provided	
	2004	2003
	£'000	£'000
Depreciation and amortisation in excess of capital allowances	9	24
Short term timing differences	16	32
Deferred tax asset	25	56

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets.

This tax will become payable if the replacement assets are sold and further rollover relief is not obtained.

The estimated amount of tax that would become payable in these circumstances is £59,000.

A deferred tax asset has not been recognised in respect of timing differences relating to revenue losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £478,000 (2003 - £11,000). The asset will be recovered if sufficient trading profits are made in the future.

16. CALLED UP SHARE CAPITAL

	2004	2003
	£'000	£'000
Authorised:		
10,000,000 ordinary shares of £0.10 each (2003 - 10,000,000)	1,000	1,000
Called up, allotted and fully paid:		
858,280 ordinary shares of £0.10 each (2003 - 875,000)	86	88

During the year the company acquired shares from shareholders leaving the company's employment.

17. MOVEMENT IN RESERVES

	Capital redemption reserve	Profit and loss account	Total
	£'000	£'000	£'000
At 1 March 2003	162	4,843	5,005
Loss for the year	-	(1,726)	(1,726)
Buy back of company shares	2	(29)	(27)
At 29 February 2004	164	3,088	3,252

NCMT LIMITED

NOTES TO THE ACCOUNTS Year ended 29 February 2004

18. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £'000	2003 £'000
Loss on ordinary activities after taxation	(1,726)	(431)
Buy back of company shares	(29)	-
Net reduction in equity shareholders' funds	(1,755)	(431)
Opening equity shareholders' funds	5,093	5,524
Closing equity shareholders' funds	3,338	5,093

19. OPERATING LEASE COMMITMENTS

At 29 February 2004, the Company was committed to making the following payments during the next year in respect of operating leases:

	Other 2004 £'000	2003 £'000
Leases which expire:		
Within one year	146	115
Within two to five years	153	104
	299	219

20. BORROWINGS

	2004 £'000	2003 £'000
Analysis of loan repayments:		
Mortgage loan:		
Within one year	243	252
Between one and two years	82	252
Between two and five years	-	56
	325	560

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.

21. PENSION SCHEMES

The company runs defined contribution 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. The pension charge for the year was £229,000 (2003 - £210,000), see Note 3.