

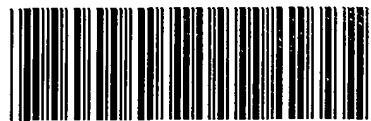
Registered number 00794821

NCMT Limited

**Directors' report and financial
statements**

For the year ended 28 February 2015

FRIDAY



L4G72XQA

LD5

18/09/2015

#73

COMPANIES HOUSE

NCMT LIMITED

CONTENTS	Page
Officers and professional advisers	2
Strategic report	3
Directors' report	5
Independent auditor's report to the members of NCMT Limited	8
Profit and loss account	10
Balance sheet	11
Notes to the financial statements	12

NCMT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Burley
LH Ireland
DJ James
AJ Maughan
MR Terry

SECRETARY

RC Kimber FCA

REGISTERED OFFICE

Ferry Works
Summer Road
Thames Ditton
Surrey KT7 0QJ

BANKERS

Bank of Scotland plc
3rd Floor Princess House
1 Suffolk Lane
London EC4R 0AX

SOLICITORS

Mundays LLP
Cedar House
78 Portsmouth Road
Cobham
Surrey KT11 1AN

AUDITORS

Mazars LLP
Tower Bridge House
St. Katharine's Way
London E1W

STRATEGIC REPORT

for the year ended 28 February 2015

The directors present their strategic report for NCMT Limited for the year ended 28 February 2015.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The company continued its principal activities throughout the current year.

Key performance indicators

The directors monitor a range of key performance indicators to assess the ongoing financial prospects of the business. These include key measures of its net working capital needs including stock, debtor and creditor day as well as various profit ratios focusing on gross and net profit margins. These statistics enable the directors to review the company's position on a monthly basis and to take appropriate action where necessary.

The key performance indicators also include the value of new machine tool sales orders obtained by the business where the relevant machine tool has yet to be accepted by its customers. This is known as the new machine tool backlog. This statistic helps to give the directors an overview of the ongoing financial strength of the company and the directors are pleased to report that this key performance indicator stood at over £18,000,000 (2014: £16,000,000) as at the year end. The company has developed internal reporting techniques and other methodologies including engineering project management which should allow a significant part of this new machine tool backlog to be recognised in next year's financial statements.

Development and financial performance during the year

During the year the company had turnover of £27,360,000 (2014: £23,463,000) and recorded a profit on ordinary activities before taxation of £1,659,000 (2014: £932,000). The increase in the company's profit on ordinary activities before taxation is due to the company's careful monitoring and control of all items of expenditure together with its close management of all its major engineering projects.

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end have increased from £5,707,000 as at 28 February 2014 to £7,116,000 as at 28 February 2015. This increase is due to the retained profit for the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The board of directors continually monitor the financial and non-financial risks facing the company and assess all the controls used for managing these risks. The directors formally review and record the principal risks facing the business on a regular basis.

The directors consider that the principal financial and non-financial risks and uncertainties facing the company include the following:

- **Economic conditions-** the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify any signs of potential financial difficulty. Sales trends in its major market areas are constantly reviewed to ensure that early remedial action can be taken if appropriate or necessary. In addition the board of directors regularly review key economic analysis and financial indicators in order to ensure that it is well appraised of all its chosen market sectors.
- **Competitor pressure-** the market in which the company operates is considered to be highly competitive, and therefore competitor pressure, including competition in pricing, could result in losing particular machine tool sales orders to its competition. The directors believe that the company manages this risk by providing high quality products and services tailored specifically to the needs of its diverse customer base and by maintaining strong and durable relationships with all of its customers and suppliers.
- **Reliance on key suppliers-** the company's purchasing activities could potentially expose it to over reliance on certain suppliers. The company manages this risk by ensuring that there is enough breadth in its supplier base and by constantly seeking alternative competitive suppliers which could be used if necessary.

NCMT LIMITED

STRATEGIC REPORT *(continued)*

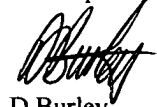
for the year ended 28 February 2015

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS *(continued)*

- Loss of key personnel- this could present certain operational difficulties for the company. The directors seek to ensure that its personnel have appropriate remuneration plans, given the financial and economic conditions which prevail.
- Legislative changes-the company may be adversely affected by the enforcement of and changes in legislation and regulation affecting its business. This may involve compliance costs and restrictions on the company with fines or sanctions for non-compliance. The directors monitor legislative and regulatory changes and alter the company's business practice where appropriate.

APPROVAL

This report was approved by the board on *15 September* 2015 and was signed on its behalf by:



D Burley
Director

Ferry Works
Summer Road
Thames Ditton
Surrey KT7 0QJ

NCMT LIMITED

DIRECTORS' REPORT

for the year ended 28 February 2015

The directors present their report and the financial statements for NCMT Limited for the year ended 28 February 2015.

PRINCIPAL ACTIVITIES

The principal activities of the company are the provision of engineering solutions and supply of machine tools and related equipment for manufacturing companies. Related equipment includes automation consisting of robots, conveyors and other equipment necessary to produce high specification engineering components or to reduce manning levels. This is supported by a full range of technical and engineering support activity, including full service and maintenance of the equipment supplied.

It operates predominantly in the high technology end of the aerospace, energy, medical supplies and automotive industries as well as in the general engineering business.

The directors are not aware, at the date of this report, of any likely major changes in the company's activities during the next financial year.

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company manages liquidity, interest and foreign currency risks associated and linked with its activities. The company manages its exposure to foreign currency risk principally through hedging activity using foreign forward exchange contracts negotiated with its bankers.

Liquidity risk

The company manages all aspects of its cash requirements in order to ensure that it has adequate liquid reserves to meet the operating needs of the business and to minimise interest payments and exposure wherever possible.

Credit risk

Customers who wish to trade on credit terms are subject to credit verification procedures and on-going reviews. All trade debtor balances are monitored closely on a regular ongoing basis and full provision is made for any doubtful debts where considered necessary.

FUTURE DEVELOPMENTS

Whilst the directors acknowledge the risks which prevail in the company's chosen market place their focus is directed on the importance of cash flow to the business and the minimisation of the company's net working capital. The directors aim to continue to implement the management policies which have been introduced in recent years which they believe have assisted in overcoming the difficulties and uncertainties in the market place. Overall the directors believe that the company is well placed to be able to increase its activity levels and satisfy customer demand.

As the company enjoys the ongoing support of its bankers the directors remain confident that the increase in machine tool sales orders and general business levels will contribute to a satisfactory financial year.

NCMT LIMITED

DIRECTORS' REPORT *(continued)*

for the year ended 28 February 2015

DIVIDEND

During the year the company paid an interim dividend of £nil (nil pence per share) (2014: £nil- nil pence per share) and the directors do not recommend the payment of any final dividend (2014: £nil).

DIRECTORS

The directors set out on page 2 have held office during the whole of the period from 1 March 2014 to the date of this report.

DIRECTORS' INDEMNITY

The company's articles of association provide, subject to the provision of UK legislation, an indemnity for directors of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

The directors benefit from qualifying third party indemnity provisions in place during the financial year and as at the date of this report.

RESEARCH AND DEVELOPMENT

The company is committed to certain tailored research and development activities. The company has spent £145,000 on various resources used in research and development this financial year (2014: £135,000).

EMPLOYMENT OF DISABLED PERSONS

The company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to an individual's particular aptitudes and abilities.

EMPLOYEE INVOLVEMENT

The directors aim to keep employees well informed on matters relevant to them through regular periodic team meetings, letters and electronic updates.

GOING CONCERN

As set out in note 1 to the financial statements the group of companies of which NCMT Limited is a member had a working capital facility of £3,500,000 provided by its bankers. The working capital facility was reduced to £2,840,000 upon the successful sale of the company's freehold in Thames Ditton, Surrey. This facility was subsequently divided into two constituent elements: an overdraft facility of £1,101,000 and an indemnity line of £1,738,000 to cover bonds, indemnities and guarantees issued by the bank. On 15 July 2015 the group accepted a maximum overdraft facility of £1,740,000 together with an indemnity line of £1,100,000 to cover bonds, indemnities and guarantees which was to be reviewed on or before 30 November 2015. Prior to the renewal of the working capital facility, the directors had implemented various policies in order to improve the group's likely cash flows in the future and on this basis have projected cash flow information for the period to 30 September 2016. On the basis of this cash flow information, the directors are of the opinion that they are able to remain within the revised facilities of £1,740,000 and £1,100,000 (bonds, indemnities and guarantees) for the period to 30 November 2015.

The group's bankers have confirmed in writing that they do not see why they would not continue to provide the working capital facility to the group.

Therefore the directors believe that it is appropriate to continue to adopt the going concern basis for accounting in preparing the financial statements.

NCMT LIMITED

DIRECTORS' REPORT (continued)

for the year ended 28 February 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the maintenance and integrity of the company's website.

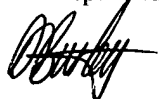
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the auditors are unaware.

Mazars LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

APPROVAL

This report was approved by the board on *15 September* 2015 and signed on its behalf by:



D Burley
Director

Ferry Works
Summer Road
Thames Ditton
Surrey KT7 0QJ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NCMT LIMITED

We have audited the financial statements of NCMT Limited for the year ended 28 February 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with chapter 3 of part 16 of the Companies Act 2006. 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 auditor's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website on www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter: going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The conditions explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NCMT LIMITED (*continued*)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Samantha Russell
(Senior statutory auditor)

For and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor

Tower Bridge House, St Katharine's Way, London E1W 1DD

16 September 2015

NCMT LIMITED

Registered number 00794821

PROFIT AND LOSS ACCOUNT

for the year ended 28 February 2015

	<i>Note</i>	2015 £'000	2014 £'000
Turnover	2	27,360	23,463
Cost of sales		(18,915)	(15,355)
Gross profit		8,445	8,108
Administrative costs		(6,362)	(6,223)
Distribution costs		(893)	(855)
Operating profit		1,190	1,030
Profit on sale of freehold property		551	-
Interest receivable and similar income	5	1	-
Interest payable and similar charges	6	(83)	(98)
Profit on ordinary activities before taxation	4	1,659	932
Tax charge on ordinary activities before taxation	7	(250)	(96)
Profit for the financial year	15	1,409	836

All amounts derive from continuing operations.

There are no recognised gains and losses for the year other than as stated above.

NCMT LIMITED

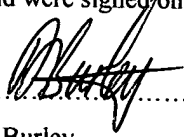
Registered number 00794821

BALANCE SHEET

as at 28 February 2015

	<i>Note</i>	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	1,561	1,749
Current assets			
Stocks	9	13,312	12,045
Debtors	10	11,101	11,689
Cash at bank and in hand		1,631	-
		26,044	23,734
Creditors: amounts falling due within one year	11	(19,910)	(19,319)
Net current assets		6,134	4,415
Total assets less current liabilities		7,695	6,164
Provisions for liabilities	12	(579)	(457)
		7,116	5,707
Capital and reserves			
Called-up share capital	14	79	79
Capital redemption reserve	15	171	171
Profit and loss account	15	6,866	5,457
Shareholder's funds	16	7,116	5,707

These financial statements of NCMT Limited were approved by the board of directors on 15 September 2015 and were signed on its behalf by:



 D Burley
 Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis, in accordance with applicable accounting standards and under the historical cost accounting rules.

The company historically met its day to day working capital requirements through a group working capital facility of £3,500,000. During the course of this financial year the company's freehold property was sold and so the group's working capital facility was reduced to £2,840,000 at that time. Subsequently the facility was divided into two constituent elements; an overdraft facility of £1,101,000 and an indemnity line of £1,784,000 to cover bonds, indemnities and guarantees issued by the group's bankers. The company has renegotiated the group working capital facility of £1,740,000 and indemnity line of £1,100,000 for the period to 30 November 2015.

Although the company had positive net assets as at 28 February 2015, a going concern issue does arise due to its involvement in the group working capital facility.

The directors have projected group cash flow information for the period 30 September 2016. In preparing these cash flows, the directors have assessed the likely sales activity and costs of the business. On the basis of this projected cash flow information, the directors are of the opinion that the revised working capital facility of £1,740,000 and indemnity line of £1,100,000 will be utilised in order to fund likely running costs.

During the renegotiation process the bank has issued correspondence indicating that it expects to continue its banking and financing relationship with the company and that at the time of signing, could see no reason why existing facilities could not be renegotiated, with sufficient facilities made available to support the company, subject to the prior approval of the bank's credit committee.

The financial statements have been prepared on the going concern basis. This basis of preparation relies on the successful renewal of the group working capital facility. The directors, after making appropriate enquiries, believe that the company, with the renegotiated facilities, has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors consider that the going concern basis for the preparation of the financial statements is appropriate.

The directors have chosen to take exemption under FRS1 not to produce a cash flow statement as it is a 100% subsidiary company.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold and long leasehold properties	4% per annum
Leasehold improvements	the shorter of the duration of any lease and 10 years
Motor vehicles	25% per annum
Office equipment	20% -33% per annum

Stocks

Stocks, including provisions where applicable, 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

1. ACCOUNTING POLICIES *(continued)*

Contract work in progress

Work in progress is stated at cost.

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 the profit and loss account on a straight-line basis over the period of the lease.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

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.

Major transactions denoted in foreign currency are subject to forward foreign currency contracts. Other transactions are subject to monthly currency rate fixing.

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

The company's revenues are derived from the sale of specialist high precision machine tools together with associated third party products, the associated technical and engineering services and repair, maintenance and service work together with supply of associated engineering products and materials. All revenue is reported exclusive of value added tax.

The company's approach to revenue recognition is that the machine tool revenue is recognised when:

- persuasive evidence of a sales arrangement exists;
- the price to the customer is fixed or determinable;
- the sales arrangement does not require significant re-modification or customisation of the machine tool;
- physical delivery to the customer has occurred; and
- collectibility is reasonably assured and there are no material outstanding conditions or contingencies attaching to the receipt of monies due.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

1. ACCOUNTING POLICIES (*continued*)

Turnover (*continued*)

Revenue from technical and engineering services (including project management, implementation and training) together with repair, maintenance and service work is normally recognised as the services are performed.

Pension

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

2. TURNOVER

	2015	2014
	£'000	£'000
Machine tools, automation and related equipment	19,342	13,054
Service and spares	7,116	9,386
Tooling	902	1,023
	<u>27,360</u>	<u>23,463</u>

Overseas exports amounted to £7,784,000 (2014: £1,546,000). All remaining turnover is derived within the United Kingdom.

3. STAFF NUMBERS AND COSTS

	2015	2014
	£'000	£'000
Directors' remuneration		
Emoluments (including company contributions to money purchase pension scheme)	753	780
	<u>£'000</u>	<u>£'000</u>
Remuneration of highest paid director (including pension contributions paid on his behalf)	160	165

The aggregate of contributions paid to five (2014: five) directors in respect of a personal pension scheme was £60,000 (2014: £62,000).

The contributions paid on behalf of the highest paid director in respect of a personal pension scheme were £12,000 (2014: £12,000).

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2015	2014
	Number	Number
Service and other engineers	44	46
Sales and technical engineers	22	22
Administration	29	29
	<u>95</u>	<u>97</u>
	£'000	£'000
Staff costs including directors' remuneration amounted to:		
Wages and salaries	4,212	4,146
Social security	508	543
Other pension costs (see note 18)	264	265
	<u>4,984</u>	<u>4,954</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

4. NOTES TO THE PROFIT AND LOSS ACCOUNT

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Depreciation and other amounts written off owned tangible fixed assets	221	198
Depreciation on tangible fixed assets held under finance leases	49	-
Loss/(profit) on disposal of fixed assets	4	(15)
Other operating lease rentals	286	279
	<u>286</u>	<u>279</u>

	2015	2014
	£'000	£'000
Auditor's remuneration:		
Audit of these financial statements	26	24
Other services relating to taxation	3	3
	<u>3</u>	<u>3</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£'000	£'000
Bank interest receivable	1	-
	<u>1</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
On bank loans and overdrafts	(83)	(98)
	<u>(83)</u>	<u>(98)</u>

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES
a) Analysis of tax charge for the year

	2015	2014
	£'000	£'000
<i>Current tax:</i>		
UK corporation tax on profit for the year	250	96
<i>Total current tax charge (note b)</i>	250	96
<i>Deferred tax:</i>		
Origination of timing differences	-	-
<i>Tax charge on profit on ordinary activities</i>	<u>250</u>	<u>96</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2015

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year differs from the main rate of corporation tax in the UK of 21.5% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	1,659	932
Profit on ordinary activities multiplied by the main rate of corporation tax in the UK of 21.5% (2014: 23%)	356	215
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(63)	(7)
Depreciation in excess of capital allowances for year	(23)	(36)
Creation of tax losses	(14)	(43)
Group relief	(19)	(46)
Other timing differences	13	13
<i>Current tax charge for the year</i>	250	96

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 2014	186	2,921	584	78	1,536	5,305
Additions	-	-	-	-	198	198
Disposals	(186)	-	-	(26)	(12)	(224)
At 28 February 2015	-	2,921	584	52	1,722	5,279
DEPRECIATION						
At 1 March 2014	74	1,559	567	30	1,326	3,556
Charge for the period	2	86	4	17	161	270
Disposals	(76)	-	-	(26)	(6)	(108)
At 28 February 2015	-	1,645	571	21	1,481	3,718
NET BOOK VALUE						
At 28 February 2015	-	1,276	13	31	241	1,561
At 1 March 2014	112	1,362	17	48	210	1,749

Included within tangible fixed assets are assets held under finance leases with a net book value as at 28 February 2015 of £49,000 (2014: £nil). Depreciation charged on these assets was £49,000 for the year to 28 February 2015 (2014: £ nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

9. STOCKS

	2015	2014
	£'000	£'000
Long term contracts:		
Costs incurred to date	9,822	7,599
Machine tools and related equipment	1,036	1,620
Spares	2,230	2,614
Tooling	224	212
	<u>13,312</u>	<u>12,045</u>

10. DEBTORS

	2015	2014
	£'000	£'000
Trade debtors	3,879	4,466
Prepayments and accrued income	276	408
Amounts recoverable under contracts	-	114
Amount owed by ultimate holding company	6,946	6,701
	<u>11,101</u>	<u>11,689</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Bank loans and overdraft	-	2,079
Obligations under finance leases	66	-
Payments on account	10,599	8,420
Trade creditors	7,559	7,221
Taxation and social security	89	251
Corporation tax	250	96
Accruals	1,347	1,252
	<u>19,910</u>	<u>19,319</u>

The overdraft is secured against the net assets of the company and its ultimate parent undertaking.

£16,000 (2014: £nil) of the obligations under finance leases are due in more than one year.

12. PROVISIONS FOR LIABILITIES

	Dilapidations provision £'000	Warranty provision £'000	Total £'000
At beginning of year	200	257	457
Current year credit	-	122	122
At end of year	<u>200</u>	<u>379</u>	<u>579</u>

The warranty provision relates to warranties granted on machines tools sold. The calculation is based on a percentage of sales. The dilapidations provision at the end of the year relates to probable work required on the expiry of a lease on the company's registered offices.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

13. DEFERRED TAXATION

A deferred tax asset has not been recognised for £81,000 (2014: £122,000) in respect of tax losses, other timing differences and accelerated depreciation due to the unpredictability of future profit streams. A deferred tax asset of £nil (2014: £13,000) in respect of capital losses has also not been recognised because in the opinion of the directors there will be no suitable taxable gains available in the foreseeable future.

14. CALLED-UP SHARE CAPITAL

	2015 £'000	2014 £'000
<i>Authorised</i>		
10,000,000 ordinary shares of £0.10 each (2014 : 10,000,000)	1,000	1,000
<i>Called up, allotted and fully paid</i>		
788,920 ordinary shares of £0.10 each (2014: 788,920)	79	79

15. RESERVES

	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At beginning of year	171	5,457	5,628
Profit for the year	-	1,409	1,409
At end of year	171	6,866	7,037

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015 £'000	2014 £'000
Opening shareholder's funds	5,707	4,871
Profit for the year	1,409	836
Closing shareholder's funds	7,116	5,707

17. COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows for the company:

	Other 2015 £'000	2014 £'000
Operating leases which expire:		
Within one year	61	71
In the second to fifth year inclusive	238	221
	299	292

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

18. PENSION SCHEME

The company runs a defined contribution pension scheme. Employees aged between 18 and 65 years are entitled to join the scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £264,000 (2014: £265,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

19. RELATED AND CONTROLLING PARTIES

During the year ended 28 February 2015 the company paid £910 for its share of annual service charges to Castlecroft Management Limited. This is a related party by virtue of NCMT Limited being a shareholder of the company. There was no outstanding balance in respect of these transactions during the year.

The company has availed itself of the exemption provided in Financial Reporting Standard No. 8, "Related Party Transactions", for subsidiary undertakings in which 100% of its voting rights are controlled within the group, from the requirement to give details of transactions with entities which are part of the group qualifying as related parties.

20. PARENT UNDERTAKING AND CONTROLLING PARTY

With effect from 6 June 2008 the ultimate parent undertaking is NCMT Holdings Limited a company incorporated in England and Wales. The ultimate controlling parties from this date are D Burley, LH Ireland, DJ James, AJ Maughan and MR Terry, by virtue of their shareholding in the ultimate parent company.