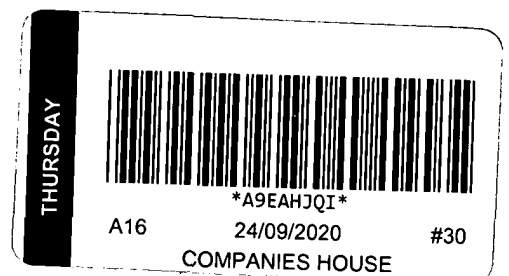


Registered number 6308716

NCMT Holdings Limited

**Annual report and consolidated financial
statements**

For the year ended 29 February 2020



NCMT HOLDINGS LIMITED

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Burley	Managing Director	TJ Dooner	Finance Director
LH Ireland	Sales Director	PS Downey	Technical Services Director
AJ Maughan	Engineering Director	I Horton	Sales Director
MR Terry	Service director	G Mason	Engineering Director
		JD Smart	Commercial Director

SECRETARY

TJ Dooner

REGISTERED OFFICE

Ferry Works
Summer Road
Thames Ditton
Surrey KT7 0QJ

BANKERS

Santander Corporate Bank
100 Ludgate Hill
London EC4M 7RE

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

SOLICITORS

Mundays LLP
400 Dashwood Lang Rd
Weybridge
Addlestone
Surrey
KT15 2HJ

AUDITORS

Mazars LLP
Tower Bridge House
St. Katharine's Way
London E1W 1DD

STRATEGIC REPORT*for the year ended 29 February 2020*

The directors present their strategic report for NCMT Holdings Limited (the company) and its subsidiary (the group) for the year ended 29 February 2020. As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 2 and 3. These matters relate to the development and financial performance, principal risks and uncertainties and financial key performance indicators of the group.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The group 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 translated into stock, debtor and creditor days. These statistics enable the directors to review the group's position on a regular 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 group where the relevant machine tool has yet to be accepted by the group's customers. This is known as the new machine tool backlog. This statistic helps to give the directors an overview of the current and future financial strength of the group and the directors are pleased to report that this key performance indicator stood at nearly £13,500,000 (2019: £23,500,000) as at the year end. The group's engineering project management 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 group had turnover of £48,225,000 (2019: £49,034,000) and recorded a profit on ordinary activities before taxation of £2,932,000 (2019: £4,645,000). The group carefully monitors and controls all items of expenditure together with its close management of all its major engineering projects.

Financial position at the reporting date

The consolidated statement of financial position shows that the group's net assets at the year-end have decreased from £8,769,000 as at 28 February 2019 to negative £3,281,000 as at 29 February 2020. This decrease is due to the refinancing deal that was completed on 17 December 2019 that enabled NCMT Holdings to purchase back shares. These shares are now in trusts controlled by NCMT Holdings Ltd. The £10m loan and a £5m Revolving Credit Facility was secured through Santander Bank.

STRATEGIC REPORT (continued)
*for the year ended 29 February 2020***PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS**

The board of directors monitors the key financial and non-financial risks facing the group and assesses all the controls used for managing these risks. The directors review and record the principal risks facing the business on a periodic basis.

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

- Economic conditions- the group 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 reviewed to ensure that early remedial action can be taken if appropriate or necessary. In addition the board of directors regularly reviews the global economic backdrop, financial indicators and exchange rate fluctuations in order to ensure that it is well apprised of all its chosen market places.
- Brexit risk- the group is aware of the increased uncertainty which exists throughout its key market sectors which emanates from the entire Brexit process. The board has initiated some planning actions which are intended to place the group in a strong position once the outcome of the negotiations becomes more apparent.
- Competitor pressure- the market in which the group 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 group 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 its customers and suppliers.
- Reliance on key suppliers- the group's purchasing activities could potentially expose it to over reliance on certain suppliers. The group manages this risk by ensuring that there is enough breadth in its supplier base and by constantly considering alternative competitive suppliers.
- Loss of key personnel- this could present certain operational difficulties for the group. The directors seek to ensure that its personnel have appropriate remuneration plans, given the financial and economic conditions which prevail.
- Covid 19 – sensitivities have also been run to reflect different scenarios due to the impact of Covid-19 including, but not limited to, changes in market sector activity levels, possible reductions in service and engineering revenues and potential delays to major projects. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies. It is management's view that when considering even a severe but plausible downside scenario, the Group continues to have significant liquidity headroom on existing facilities and against the revolving credit facilities that are available.
- Legislative changes- the company may be adversely affected by 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 review the company's business practice where appropriate.

APPROVAL

This report was approved by a duly appointed and authorised committee of the board of directors on 4 September 2020 and was signed on its behalf by:


D Burley
Director

Ferry Works, Summer Road, Thames Ditton, Surrey KT7 0QJ

DIRECTORS' REPORT*for the year ended 29 February 2020*

The directors present their report and the financial statements for NCMT Holdings Limited (the company) and its subsidiary (the group) for the year ended 29 February 2020.

PRINCIPAL ACTIVITIES

The principal activities of the group are the provision of engineering solutions and supply of specialist high precision 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 customer manning levels. This is supported by a full range of technical and engineering support activity including the service and maintenance of the equipment supplied.

The group carries out this activity through its 100% trading subsidiary NCMT Limited and 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 major changes in the group's activities during the next financial year.

FINANCIAL INSTRUMENTS**Treasury operations and financial instruments**

The group manages liquidity and foreign currency risks associated and linked with its activities. The group manages its exposure to foreign currency risk principally by using foreign currency forward exchange contracts negotiated with its bankers.

Liquidity risk

The group manages all aspects of its cash requirements in order to ensure that it has adequate liquid funds to meet the operating needs of the business and to maximise interest receivable and minimise future financial 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 group's chosen market place their focus is still directed on the importance of cash flow to the business and the minimisation of the group'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 the group in overcoming the difficulties and uncertainties in the market place. Overall the directors believe that the group is well placed to be able to increase its activity levels and satisfy customer demand.

DIRECTORS' REPORT

for the year ended 29 February 2020

FUTURE DEVELOPMENTS (continued)

As the group enjoys the ongoing support of its bankers the directors remain confident that the size of the machine tool backlog and general business levels will contribute to a satisfactory financial year.

DIVIDEND

During the year the company paid an interim dividend of £nil (£nil per share) (2019: £nil) and the directors do not recommend payment of any final dividend (2019: £nil).

DIRECTORS

The directors D Burley, LH Ireland, AJ Maughan and MR Terry set out on page 1 have held office during the whole of the period from 1 March 2019 to the date of this report. On 28 February 2020, TJ Dooner, PS Downey, I Horton, G Mason and JD Smart were made directors.

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 of employees or 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 group is committed to certain specific research and development activities. The group has spent £38,000 on various resources used in research and development this financial year (2019: £139,000).

EMPLOYMENT OF DISABLED PERSONS

The group'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. This policy also applies to any employee who might become disabled whilst employed by the group.

EMPLOYEE INVOLVEMENT

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

DIRECTORS' REPORT *(continued)*
for the year ended 29 February 2020

GOING CONCERN

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements. Cash forecasts are regularly produced, based on known revenues derived from its sales backlog, assumed revenues from expected future orders and activities, known and projected outgoings subject to respective activity levels.

Sensitivities have also been run to reflect different scenarios due to the impact of Covid-19 including, but not limited to, changes in market sector activity levels, possible reductions in service and engineering revenues and potential delays to major projects. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies. It is management's view that when considering even a severe but plausible downside scenario, the Group continues to have significant liquidity headroom on existing facilities and against the revolving credit facilities that are available.

The Group is in a net liability position at the year end, however the directors, believe that the Group is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statement.

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) ("UK GAAP"), including FRS102 "The financial reporting standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the group and parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss of the group 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent 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 also responsible for safeguarding the assets of the parent company and the group 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 and group's website.

DIRECTORS' REPORT *(continued)*
for the year ended 29 February 2020

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

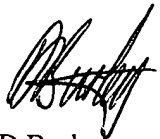
Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the auditors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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS *(continued)*

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 a duly appointed and authorised committee of the board of directors on 4 September 2020 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 HOLDINGS LIMITED**Opinion**

We have audited the financial statements of NCMT Holdings Limited (the 'company') for the year ended 29 February 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 29 February 2020 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Going concern and the impact of the COVID-19 outbreak on the financial statements

In forming our opinion on the group financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 4, and the consideration in the going concern basis of preparation on page 6 and page 17.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and reflected the directors' conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NCMT HOLDINGS LIMITED (continued)**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

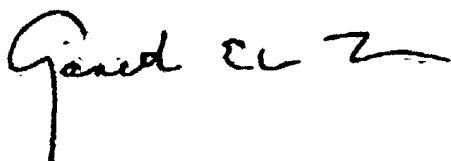
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to 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.



Gareth Jones (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

4/9/2020



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 29 February 2020

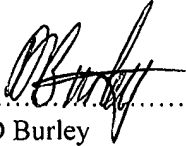
	<i>Note</i>	2020 £'000	2019 £'000
Turnover	2	48,225	49,034
Cost of sales		(33,477)	(34,505)
Gross profit		14,748	14,529
Administrative costs		(10,569)	(8,758)
Distribution costs		(1,208)	(1,153)
Operating profit		2,971	4,618
Interest receivable and similar income	5	40	46
Interest payable and similar charges	6	(79)	(19)
Profit on ordinary activities before taxation	3	2,932	4,645
Tax charge on ordinary activities	8	(800)	(901)
Profit for the financial year		2,132	3,744
Other comprehensive income			
Cash flow hedges:			
Gains/(losses) arising during the year		109	(105)
Revaluation of long leasehold property	9	1,224	-
Deferred tax on revaluation	16	(282)	-
Total comprehensive income for the year		3,183	3,639

All amounts derive from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 29 February 2020

	<i>Note</i>	2020 £'000	2019 £'000
Non-current assets			
Tangible assets	9	2,615	1,520
Deferred tax	16	-	81
		<u>2,615</u>	<u>1,601</u>
Current assets			
Stocks	11	10,706	14,751
Debtors (including £nil (2019 £9,000) due after more than one year)	12	4,719	4,730
Cash at bank and in hand		4,744	9,508
		<u>20,169</u>	<u>28,989</u>
Creditors: amounts falling due within one year	13	<u>(16,361)</u>	<u>(20,436)</u>
Net current assets		<u>3,808</u>	<u>8,553</u>
Total assets less current liabilities		<u>6,423</u>	<u>10,154</u>
Creditors: amounts falling due after more than one year	14	(8,500)	(434)
Provisions for liabilities	15	(974)	(951)
Deferred tax liability	16	(230)	-
Net (liabilities)/assets		<u>(3,281)</u>	<u>8,769</u>
Capital and reserves			
Called-up share capital	17	397	506
Treasury shares	17	(16,288)	(2,000)
Capital redemption reserve		109	-
Revaluation reserve		942	-
Profit and loss account		11,559	10,263
Shareholders' (deficit)/surplus		<u>(3,281)</u>	<u>8,769</u>

These financial statements of NCMT Holdings Limited were approved by a duly appointed and authorised committee of the board of directors on 4 September 2020 and were signed on its behalf by:


D Burley
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2020

	Called-up share capital	Capital redemption reserve	Treasury shares	Revaluation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 March 2018	506	-	-	-	6,624	7,130
Profit after taxation for the year	-	-	-	-	3,744	3,744
Other comprehensive loss for the year:						
Loss arising from cash flow hedge	-	-	-	-	(105)	(105)
Total comprehensive income for the year	-	-	-	-	3,639	3,639
Transactions with others:						
Shares bought into treasury	-	-	(2,000)	-	-	(2,000)
At 28 February 2019	506	-	(2,000)	-	10,263	8,769
At 1 March 2019	506	-	(2,000)	-	10,263	8,769
Profit after taxation for the year	-	-	-	-	2,132	2,132
Other comprehensive loss for the year:						
Gains arising from cash flow hedge	-	-	-	-	109	109
Revaluation of leasehold properties	-	-	-	942	-	942
Total comprehensive income for the year	-	-	-	942	2,241	3,183
Transactions with others:						
Cancelled shares	(109)	109	2,000	-	(2,000)	-
Shares bought into treasury (note 17)	-	-	(16,288)	-	-	(16,288)
Share-based payment transactions	-	-	-	-	1,055	1,055
At 29 February 2020	397	109	(16,288)	942	11,559	(3,281)

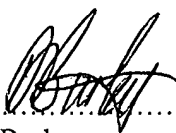
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 29 February 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
Operating profit	2,971	4,618
Depreciation charges	205	310
Share based payments	1,055	
Decrease in stocks	4,045	4,385
(Increase)/decrease in debtors	(11)	566
Decrease in creditors	(3,758)	(5,122)
Increase in provisions	23	136
Net finance (expense)/income	(39)	27
Taxation paid	(887)	(884)
	<hr/>	<hr/>
Net cash inflow from operating activities	3,604	4,893
Cash flows from investing activities		
Purchase of tangible fixed assets	(74)	(171)
Interest received	40	46
	<hr/>	<hr/>
Net cash flow from investing activities	(34)	(125)
Cash flows from financing activities		
Term loan repayments	(467)	(133)
Purchase of shares into treasury (note 17)	(16,288)	(2,000)
Draw down of new loan	8,500	-
Interest paid	(79)	(19)
	<hr/>	<hr/>
Net cash outflow from financing activities	(8,334)	(2,125)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(4,764)	1,732
Cash and cash equivalents at the start of the financial year	9,508	7,776
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	<u><u>4,744</u></u>	<u><u>9,508</u></u>

COMPANY STATEMENT OF FINANCIAL POSITION
as at 29 February 2020

	<i>Note</i>	2020 £'000	2019 £'000
Non-current assets			
Investments	10	4,416	3,360
		<u>4,416</u>	<u>3,360</u>
Current assets			
Debtors	12	-	16
Cash at bank and in hand		1	-
Creditors: amounts falling due within one year	13	(2,813)	(2,156)
Net current liabilities		<u>(2,812)</u>	<u>(2,140)</u>
Total assets less current liabilities		1,604	1,221
Creditors: amounts falling due after more than one year	14	(8,500)	(434)
Net (liabilities)/asset		<u>(6,896)</u>	<u>787</u>
Capital and reserves			
Called-up share capital	17	397	506
Capital redemption reserve		109	-
Treasury shares	17	(16,288)	(2,000)
Profit and loss account		8,886	2,281
Shareholders' (deficit)/surplus		<u>(6,896)</u>	<u>787</u>

These financial statements of NCMT Holdings Limited, company number 6308716 were approved by a duly appointed and authorised committee of the board of directors on 4 September 2020 and were signed on its behalf by:



 D Burley
 Director

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2020

	Called-up share capital £'000	Capital redemption n reserve £'000	Treasury Shares £'000	Profit and loss account £'000	Total £'000
At 1 March 2018	506	-	-	349	855
Profit after taxation for the year	-	-	-	1,932	1,932
Total comprehensive income for the year	-	-	-	1,932	1,932
Transactions with others:	-	-	(2,000)	-	(2,000)
Shares bought into treasury (note 17)	-	-	-	-	-
At 28 February 2019	506	-	(2,000)	2,281	787
At 1 March 2019	506	-	(2,000)	2,281	787
Profit after taxation for the year	-	-	-	7,550	7,550
Total comprehensive income for the year	-	-	-	7,550	7,550
Transactions with others:	-	-	-	-	-
Cancellation of treasury shares	(109)	109	2,000	(2,000)	-
Shares bought into treasury (note 17)	-	-	(16,288)	-	(16,288)
Share-based payments transactions (note 21)	-	-	-	1,055	1,055
At 29 February 2020	397	109	(16,288)	8,886	(6,896)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

1. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including financial reporting standard 102 "The financial reporting standard applicable in the United Kingdom and Republic of Ireland" (FRS102) and with the Companies Act 2006. The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in sterling.

The consolidated financial statements have been prepared on the going concern basis. The directors, after making appropriate enquiries, believe that the group 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 consolidated financial statements is appropriate.

Basis of consolidation

The consolidated financial statements include the financial statements of the group and its subsidiary undertakings are made up to 29 February 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

No income statement or statement of comprehensive income is presented for the company as permitted by section 408(3) of the Companies Act 2006. The retained profit of the group for the year and the reconciliation of movements in shareholders' funds is given in the consolidated statement of changes in equity.

Going concern

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements. Cash forecasts are regularly produced, based on known revenues derived from its sales backlog, assumed revenues from expected future orders and activities, known and projected outgoings subject to respective activity levels.

Sensitivities have also been run to reflect different scenarios due to the impact of Covid-19 including, but not limited to, changes in market sector activity levels, possible reductions in service and engineering revenues and potential delays to major projects. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies. It is management's view that when considering even a severe but plausible downside scenario, the Group continues to have significant liquidity headroom on existing facilities and against the revolving credit facilities that are available.

The Group is in a net liability position at the year end, however the directors, believe that the Group is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statement.

NOTES TO THE FINANCIAL STATEMENTS*for the year ended 29 February 2020***1. ACCOUNTING POLICIES (continued)****Investment in subsidiary undertakings**

In the company's financial statements, the carrying value of investments in subsidiary undertakings is reviewed by the directors on a regular basis at which point any necessary revaluations or provisions are made.

Fixed assets and depreciation

Leasehold improvements, motor vehicles and office equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

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

Long leasehold properties were previously accounted for under the historical cost method, however during the year the directors adopted a change in accounting policy to the valuation model for this category of fixed asset. The reason for this was that this results in the financial statements providing a more reliable and relevant position of the company's financial position.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
*for the year ended 29 February 2020***1. ACCOUNTING POLICIES (continued)****Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by financial reporting standard 19. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Turnover

The group's turnover is 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 turnover is reported exclusive of value added tax.

The group'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
- collectability is reasonably assured and there are no material outstanding conditions or contingencies attaching to the receipt of monies due.

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.

Leases

Operating lease rentals are charged to the income statement on a straight-line basis over the period of the lease. Finance lease liabilities are secured by the related assets held under finance leases. The lease agreement includes fixed finance lease payments and a purchase option at the end of the lease term.

Research and development expenditure

Expenditure on research and development is written off to the income statement in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are recorded using the rate of foreign exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of foreign exchange ruling at the statement of financial position date and the gains or losses on translation are included in the income statement. The group manages its exposure to currency risk principally through the use of foreign forward exchange contracts negotiated with its bankers.

Pension

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the financial year.

Cash and liquid resources

Cash for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts payable on demand.

Share based payments

The share option programme allows employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Where the company grants options over its own shares to the employees of its subsidiaries it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity – settled share based payment charge recognised in its subsidiary's financial statements with the corresponding credit being recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are recognised as a cash flow hedge. The fair value of these derivatives is reported on the cash flow hedge account within the statement of comprehensive income. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

1. ACCOUNTING POLICIES *(continued)*

Provisions for liabilities *(continued)*

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.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period which employees are entitled to carry forward and use within the next accounting period. The provision is measured at the salary cost payable for the period of absence.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

2. TURNOVER

The group's turnover is split by class of business as follows:

	2020	2019
	£'000	£'000
Machine tools, automation and related equipment	37,714	38,864
Service and spares	10,511	10,170
	<u>48,225</u>	<u>49,034</u>

All turnover is derived from the group's acquired subsidiary NCMT Limited. Overseas exports amounted to £12,033,000 (2019: £7,843,000). All remaining turnover is within the United Kingdom.

3. NOTES TO THE INCOME STATEMENT

Profit on ordinary activities before taxation is stated after charging:

	2020	2019
	£'000	£'000
Depreciation of tangible fixed assets	205	325
Other operating lease rentals	617	559
	<u> </u>	<u> </u>

	2020	2019
	£'000	£'000
Auditors' remuneration:		
Audit of these financial statements	8	8
Audit of financial statements of subsidiary pursuant to legislation	30	29
Other services relating to taxation	146	7
Other assurance fees	6	24
Corporate finance services	323	30
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

4. STAFF NUMBERS AND COSTS

Staff costs including directors' remuneration amounted to:

	2020	2019
	£'000	£'000
Wages and salaries	6,695	5,702
Social security costs	750	698
Other pension costs (see note 20)	301	306
	<u>7,746</u>	<u>6,706</u>

Included in total staff costs is £1,055,000 (2019: £nil) arising from transactions accounted for as equity-settled share-based payment transactions (see note 22).

Directors' remuneration included above:

	2020	2019
	£'000	£'000
Directors' emoluments	2,062	1,086
Company contributions to money purchase pension scheme	37	47
	<u>2,099</u>	<u>1,133</u>

The remuneration of the highest paid director was £263,000 (2019: £274,000). Pension contributions paid by the group on his behalf were £21,000 (2019: £22,000).

	2020	2019
	£'000	£'000
Retirement benefits accruing to the following number of directors under money purchase scheme	<u>4</u>	<u>4</u>

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

	2020	2019
	£'000	£'000
Service and other engineers	59	60
Sales and technical engineers	25	25
Administration	30	30
	<u>114</u>	<u>115</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£'000	£'000
Bank interest receivable	<u>40</u>	<u>46</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£'000	£'000
On bank loans and overdrafts	<u>79</u>	<u>19</u>

7. DIVIDEND

	2020	2019
	£'000	£'000
On equity ordinary shares of £1 each (£nil per share) <i>(2019: £nil per share)</i>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year

	2020 £'000	2019 £'000
<i>Current tax</i>		
UK corporation tax on profit for the year	804	926
Adjustment in respect of prior year	(32)	-
Deferred tax charge/(credit)	28	(25)
	<u>800</u>	<u>901</u>
<i>Total current tax charge (note b)</i>	<u>800</u>	<u>901</u>

b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before taxation	2,932	4,645
	<u>557</u>	<u>883</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	232	28
Capital allowances in excess of depreciation for year	24	42
Additional research and development expenditure	(9)	(26)
	28	(1)
Other temporary differences	(32)	-
Adjustments in respect of prior periods	-	(25)
Recognition of deferred tax	<u>800</u>	<u>901</u>
<i>Tax charge on ordinary activities</i>	<u>800</u>	<u>901</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

9. TANGIBLE FIXED ASSETS

Group	Long leasehold property £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
COST OR VALUATION				
At 1 March 2019	2,384	50	474	2,908
Additions	-	-	74	74
Disposals	-	-	-	-
Revaluation	26	-	-	26
At 29 February 2020	2,410	50	548	3,008
DEPRECIATION				
At 1 March 2019	1,190	38	160	1,388
Charge for the period	10	5	190	205
Disposals	-	-	-	-
Revaluation	(1,200)	-	-	(1,200)
At 29 February 2020	-	43	350	393
NET BOOK VALUE				
At 29 February 2020	2,410	7	198	2,615
At 28 February 2019	1,194	12	314	1,520

All tangible fixed assets are held by the group's trading subsidiary NCMT Limited.

A valuation of the long leasehold properties was held on the 25th June 2019, which valued them at £2,410,000 which has been used in this year's financial statements. Management have determined that the most practical period for retrospective application to be the current period. As a result of the change in policy, a revaluation reserve of £942,000 has been created through other comprehensive income and an equal increase to the value of long leasehold properties, within tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company	2020
	£'000
<i>Cost</i>	
At 1 March 2019	6,356
Additions	1,055
	<hr/>
At 29 February 2020	7,411
	<hr/>
<i>Impairment</i>	£'000
At beginning and end of year	2,995
	<hr/>
<i>Net book value</i>	£'000
At 29 February 2020	4,416
	<hr/>
At 1 March 2019	3,361
	<hr/>

At the balance sheet date a share based payment charge of £1,055,000 was capitalised into the cost of investment in the subsidiary as the employees to whom options granted are employed by NCMT Limited.

The company has direct investments in the following subsidiary undertakings:

<u>Name</u>	<u>Nature of business</u>	<u>Registered office address</u>	<u>Share class held</u>	<u>Percentage held</u>
NCMT Limited	Engineering	Unit 1 Ferry Works, Summer Road, KT 0QJ, Thames Ditton, Surrey, UK	Ordinary	100%
NCMT Europe B.V.	Dormant	Prins Hendriklaan 28.1075BD, Amsterdam, Netherlands	Ordinary	100%
NCMT Trustee Company Limited	Employee Benefit Trust	Unit 1 Ferry Works, Summer Road, KT 0QJ, Thames Ditton, Surrey, UK	Ordinary	100%

11. STOCKS

	Group		Company	
	2020	2019	2019	2018
	£'000	£'000	£'000	£'000
Long term contracts: Costs incurred to date	4,866	9,590	-	-
Machine tools and related equipment	3,367	3,019	-	-
Spare parts	2,473	2,142	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,706	14,751	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

12. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	3,858	4,170	-	-
Prepayments and accrued income	821	544	-	-
Taxation and social security	-	-	-	-
Other debtors	14	16	-	16
Derivative financial instrument	26	-	-	-
	<u>4,719</u>	<u>4,730</u>	<u>-</u>	<u>16</u>

Other debtors at 29 February 2020 includes £nil (2019: £9,000) of finance costs relating to banking facilities obtained in the year ended 28 February 2009 which were being amortised over the expected duration of the facilities. The facility was fully repaid during the year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,500	133	1,500	133
Payments on account	4,357	9,412	-	-
Trade creditors	8,417	8,348	-	-
Taxation and social security	182	186	-	-
Amounts due to group undertakings	-	-	1,299	2,011
Corporation tax	386	473	-	-
Accruals	1,519	1,767	14	12
Derivative financial instrument	-	117	-	-
	<u>16,361</u>	<u>20,436</u>	<u>2,813</u>	<u>2,156</u>

The group enters into certain forward foreign currency contracts to mitigate the exchange rate risk for certain foreign exchange movements. At 29 February 2020 the outstanding contracts all mature within 14 (2019: 12) months of the year end. The group is committed to purchase 1,174,000,000 yen (2019: 693,000,000 yen) and pay a fixed sterling amount of £8,422,000 (2019: £4,801,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Term loan:				
Due within one and two years	2,000	267	2,000	267
Between two and five years	6,500	167	6,500	167
Due in more than five years	-	-	-	-
	<u>8,500</u>	<u>434</u>	<u>8,500</u>	<u>434</u>
	<u><u>8,500</u></u>	<u><u>434</u></u>	<u><u>8,500</u></u>	<u><u>434</u></u>

On the 17 December 2019, the company secured a refinancing deal with Santander Bank plc. The remaining balance on the A term loan was paid off and a £10,000,000 loan was secured with Santander Bank plc. The loan is repayable in quarterly instalments and runs until 17 December 2024. Interest is based on Margin (Leverage ratio) + LIBOR and is paid quarterly. A £5 million revolving credit facility is to be made available. Interest is based on Margin (Leverage ratio) + LIBOR and is paid quarterly. The RCF runs until the fifth anniversary of the agreement. The refinancing instrument has been secured on the assets of NCMT Holdings and its group companies

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

15. PROVISIONS FOR LIABILITIES

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At beginning of year	951	815	-	-
Released during year	(67)	(252)	-	-
Current year charge	90	388	-	-
	<u>974</u>	<u>815</u>	<u>-</u>	<u>-</u>
At end of year	<u>974</u>	<u>815</u>	<u>-</u>	<u>-</u>

£684,000 (2019: £751,000) of this provision at the end of the year relates to warranties granted on machines sold. The calculation is based on a percentage of machine tool turnover. £290,000 (2019: £200,000) of the provision at the end of the year relates to an estimated dilapidation provision on the group's registered offices.

16. DEFERRED TAXATION

	Accelerated tax depreciation £'000	Other short term differences £'000	Total £'000
At beginning of year	(9)	90	81
Debit to profit or loss	-	(29)	(29)
Debit to other comprehensive income	(282)	-	(282)
	<u>(291)</u>	<u>61</u>	<u>(230)</u>
At end of year	<u>(291)</u>	<u>61</u>	<u>(230)</u>

17. CALLED-UP SHARE CAPITAL

	2020 £	2019 £
<i>Allotted, called-up and fully paid</i>		
396,392 ordinary shares of £1 each		
(2019: 505,669 ordinary shares of £1 each)	397	506
	<u>397</u>	<u>506</u>

On the 24 October 2019, 13,804 shares of £1 each, were cancelled. The amount by which the share capital has been diminished has been transferred to the capital redemption reserve within equity.

On the 26 November 2019, 95,473 ordinary shares of £1 each, were cancelled. The amount by which the share capital has been diminished has been transferred to the capital redemption reserve within equity.

On the 17 December 2019, 230,800 ordinary shares of £1 each, were purchased by NCMT Trustee Company Limited and Appleby Global Services. Cash was transferred from the Company to the entities for the purpose of facilitating employee shareholdings under a remuneration scheme. The consideration paid for the equity instruments of the Company have been deducted from equity until the equity instruments vest unconditionally with employees.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

18. LEASING COMMITMENTS

The future minimum operating lease payments for the group are:

	2020 £'000	2019 £'000
Within one year	617	559
Between one and five years	653	857
Later than five years	1	2
	<hr/>	<hr/>
	1,271	1,418
	<hr/>	<hr/>

19. FINANCIAL RISK MANAGEMENT

The group has exposures to four main areas of risk.

Foreign exchange transactional exposure

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts which generally mature within a twelve month period. At 29 February 2020 the company was committed to buy 1,174,000,000 yen (2019: 693,000,000 yen) within 14 (2019: 12) months.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows do not cover all the financial obligations the group has certain banking facilities available.

Customer credit exposure

The group offers credit terms to its customers which allow payment of outstanding debt after delivery of goods or services. The group is at risk to the extent that a customer may be unable to pay the specified debt on the due date. This risk is mitigated by strong on-going relationships with its customers.

Interest rate risk

The group borrows from its bankers using primarily its overdraft and term loan facilities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

20. PENSION SCHEME

The company runs an independently administered defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme which are based on a fixed percentage of employees' pay and amounted to £301,000 (2019: £306,000).

The company has no legal or constructive obligations to pay further contributions to the scheme once the contributions have been made.

Members' benefits are determined by the amount of contributions paid by the company and the member, any tax relief, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the member chooses to buy at retirement.

As a result, the actuarial risk (that benefits will be lower than expected) and investment risk (that assets invested in will not perform in line with expectations) fall on the employee.

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

21. EMPLOYEE SHARE SCHEME

Shares in the previous EBT were cancelled.

NCMT Holdings has granted share options at its discretion to directors. These are accounted for as equity settled options. Details for the share options granted and outstanding at the year-end are as follows:

	Number of share options 2020	Weighted average exercise price £ £'000
Outstanding at the beginning of the year	13,340	£1.00
Cancelled during the year	(13,340)	
Granted during the year	69,440	£1.00
Forfeited during the year	-	
Outstanding at the end of the year	69,440	£1.00
Exercisable at the year end	69,440	£1.00

All shares vested with the directors on the 28 February 2020, with no performance obligations.

The total recognised share-based payment expense during the year by the Group was £1,055,000 (2019: n/a).

Post year end a further 159,759 options have been granted to directors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

22. RELATED PARTIES

During the year ended 28 February 2019 the group paid £1,080 (2018: £780) 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.

In common with other companies, which are members of a group of companies, the financial statements reflect the effect of such membership. The company has availed itself of the exemption provided in FRS102 "The financial reporting standard applicable in the UK and Republic of Ireland" related party disclosures for subsidiary undertakings in which 100% or more 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.

23. CONTROLLING PARTIES

The ultimate controlling parties from 6 June 2008 are D Burley, LH Ireland, AJ Maughan and MR Terry, by virtue of their shareholding in the company.