

Company Number: 1346

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Financial Statements

for the year ended 30 September 2000



**NPK HOLDINGS LIMITED AND ITS
SUBSIDIARY COMPANIES**

Company Information

Company Number: 1346

Directors

P J Schwind (Chairman)
J R M Keatley
M M Phizacklea MBA FCA
P H Franks AMICE

Secretary

J R M Keatley

Registered Office

1 Dolphin Lane
Melbourn
Royston
Herts
SG8 6AF

Auditors

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank Plc
23 High Street
Royston
Herts
SG8 9AB

NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES

Index

Page No.

1 and 2	Directors' Report
3	Auditors' Report
4	Consolidated Profit and Loss Account
5	Consolidated Balance Sheet
6	Company Balance Sheet
7	Statement of Total Recognised Gains and Losses
8 to 15	Notes to the Financial Statements

NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES

Directors' Report

for the year ended 30 September 2000

The directors submit their report together with the audited financial statements of the group for the year ended 30 September 2000.

Directors' Statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

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 proper accounting records which disclose, with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity and Business Review

The Group earned profits of £298,114 for the year.

In the year under review investments have performed satisfactorily. The board has increased the company's exposure to house building which has shown good results to date. The sale of the properties and other investments have yielded profits in line with expectations.

Dividend

The dividend recommended is 18p per share (1999: 18p per share).

Directors

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary 2000	Preference 2000	Ordinary 1999	Preference 1999
P J Schwind	-	-	-	-
J R M Keatley	57,776	34,666	57,776	-
M M Phizacklea	-	-	-	-
P H Franks	-	-	-	-

**NPK HOLDINGS LIMITED AND ITS
SUBSIDIARY COMPANIES**

Directors' Report

for the year ended 30 September 2000

Property

Investment properties are stated at their current market value of £2,791,120. In the opinion of the directors, the current market value of the Group's other freehold land and buildings is in excess of £50,000.

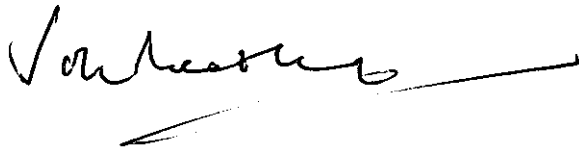
Political and Charitable Contributions

The group made a political contribution of £500 to the Conservative Party and various charitable contributions totalling £804 during the year.

Auditors

The Auditors, Peters Elworthy & Moore, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board



J R M Keatley
Secretary

Date: 21 March 2001

NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30 September 2000

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

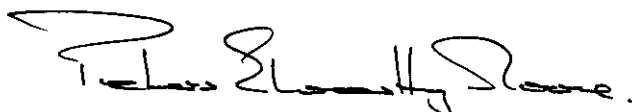
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PETERS ELWORTHY & MOORE
Chartered Accountants and
Registered Auditor

CAMBRIDGE
Date: 27 March 2001

**NPK HOLDINGS LIMITED AND ITS
SUBSIDIARY COMPANIES**

Consolidated Profit and Loss Account

for the year ended 30 September 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Turnover	2		1,170,309		924,335
Other external charges			(529,526)		(359,937)
			640,783		564,398
Staff costs	3	83,982		81,773	
Depreciation		6,147		5,788	
Other operating charges		68,802		53,053	
			158,931		140,614
Operating profit	4		481,852		423,784
Other interest receivable	5		305		1,535
			482,157		425,319
Interest payable	6		(35,450)		(29,031)
Profit on Ordinary Activities before Taxation			446,707		396,288
Tax on profit on ordinary activities	7		(80,556)		(94,228)
Profit on Ordinary Activities after Taxation			366,151		302,060
Proposed dividend of 18p per share (1999: 18p)			(51,030)		(51,030)
10% preference shares			(17,007)		-
			(68,037)		(51,030)
Retained profit transferred to reserves	16		298,114		251,030

All amounts relate to continuing activities.

**NPK HOLDINGS LIMITED AND ITS
SUBSIDIARY COMPANIES**

Consolidated Balance Sheet

as at 30 September 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Intangible assets	8		7,550		7,754
Tangible assets	9a		2,823,593		3,054,161
Investments	10		<u>2,009,029</u>		<u>1,419,047</u>
			4,840,172		4,480,962
Current Assets					
Stocks	11	7,232		7,232	
Debtors	12	82,832		11,392	
Cash in hand		<u>256</u>		<u>152</u>	
		90,320		18,776	
Creditors: Amounts falling due within one year:	13	<u>(918,429)</u>		<u>(678,224)</u>	
Net Current Liabilities			<u>(828,109)</u>		<u>(659,448)</u>
Total Assets Less Current Liabilities			4,012,063		3,821,514
Provisions for liabilities and charges					
Deferred Taxation	14		<u>-</u>		<u>(200)</u>
			<u>4,012,063</u>		<u>3,821,314</u>
Capital and Reserves					
Share capital	15		453,573		283,500
Investment revaluation reserve	16		(245,831)		(5,646)
Profit and loss account	16		<u>3,804,321</u>		<u>3,543,460</u>
Equity Shareholders' funds	17		<u>4,012,063</u>		<u>3,821,314</u>

ON BEHALF OF THE BOARD



J R M Keatley

Director

Approved by the Board on 21 March 2001

NPK HOLDINGS LIMITED

Balance Sheet

as at 30 September 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Intangible assets	8		7,550		7,754
Tangible assets	9b		2,823,252		3,053,481
Investments	10		<u>2,017,821</u>		<u>1,427,839</u>
			4,848,623		4,489,074
Current Assets					
Stocks	11	7,232		7,232	
Debtors	12	82,418		8,976	
Cash in hand		<u>256</u>		<u>152</u>	
		89,906		16,360	
Creditors: Amounts falling due within one year:	13	<u>(926,466)</u>		<u>(684,120)</u>	
Net Current Liabilities			<u>(836,560)</u>		<u>(667,760)</u>
			<u>4,012,063</u>		<u>3,821,314</u>
Capital and Reserves					
Share capital	15		453,573		283,500
Investment revaluation reserve	16		(245,831)		(5,646)
Profit and loss account	16		<u>3,804,321</u>		<u>3,543,460</u>
Equity Shareholders' funds	17		<u>4,012,063</u>		<u>3,821,314</u>

ON BEHALF OF THE BOARD



J R M Keatley

Director

Approved by the Board on 21 March 2001

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Statement of Total Recognised Gains and Losses

for the year ended 30 September 2000

	2000 £	1999 £
Profit for the financial year	366,151	302,060
Unrealised (deficit)/surplus on revaluation of investments	<u>(107,365)</u>	<u>131,223</u>
Total gains recognised since last annual report	<u>258,786</u>	<u>433,283</u>

NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to the Financial Statements

for the year ended 30 September 2000

1 Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, as modified by the revaluation to market value of investment properties and listed investments.

Fixed Assets

Investment properties are stated at current market value. Depreciation is calculated to write off the cost of tangible and intangible fixed assets, other than freehold land and investment properties, over their estimated useful lives by equal annual instalments at the following rates:

Freehold buildings	- 2% on cost
Plant and equipment	- 10% on cost
Motor vehicles	- 25% on cost
Manor and market rights	- 2% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value.

Listed Investments

Listed investments are stated at market value and unlisted investments at cost.

Investment Revaluation Reserve

Movements in the market value of listed investments and investment properties are taken to the Investment Revaluation Reserve. Where there is a permanent diminution in the value of investments, the deficit is taken immediately to the profit and loss account. Temporary diminutions in the value of investments are carried forward in the investment revaluation reserve, the deficit being shown in the statement of total recognised gains and losses as a movement on the investment revaluation reserve.

Basis of Consolidation

The consolidated financial statements include the results, assets and liabilities of the holding company and its subsidiaries made up to 30 September 2000. As permitted by section 228(7) of the Companies Act 1985 a profit and loss account for the holding company is not presented. The retained profit for the year attributable to the holding company was £298,114 (1999: loss £24,603).

Cash Flow Statement

In the opinion of the directors the group qualifies as a small group and accordingly a cash flow statement is not required.

Pensions

The Group operates a defined contribution scheme, the assets of which are held separately from those of the Group. In addition the Group pays pensions to former employees. Both costs are written off in the year in which they are incurred.

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

2 Turnover

The turnover and operating profit for the year were derived from the group's principal activity and this was carried out wholly in the UK.

	Group	
	2000	1999
	£	£
Rental income from properties	354,066	364,893
Income from listed investments	55,547	34,388
Income from unlisted investments	47,040	47,162
Proceeds from sale of listed investments	382,956	294,111
Proceeds from sale of unlisted investments	-	183,781
Proceeds from sale of investment properties	330,700	-
	<u>1,170,309</u>	<u>924,335</u>

3 Staff Costs

Staff costs including directors' remuneration comprise:

	Group	
	2000	1999
	£	£
Wages and salaries	69,744	68,182
Social security costs	7,417	6,924
Other pension costs	6,821	6,667
	<u>83,982</u>	<u>81,773</u>

The average number of persons, including directors, employed during the year was:

	Number	Number
Office and management	<u>5</u>	<u>5</u>

Staff costs include the following information in respect of directors:

	2000	1999
	£	£
Aggregate emoluments	<u>64,009</u>	<u>60,970</u>

4 Operating Profit

Operating profit is shown after charging:

	2000	1999
	£	£
Depreciation of tangible and intangible fixed assets	6,147	5,788
Staff costs (note 3)	83,982	81,773
Auditors' remuneration	<u>3,600</u>	<u>3,500</u>

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

5 Other Interest Receivable	2000	1999
	£	£
Other interest	<u>305</u>	<u>1,535</u>
6 Interest Payable	2000	1999
	£	£
Bank overdraft	<u>35,450</u>	<u>29,031</u>
7 Tax on Profit on Ordinary Activities	2000	1999
Based on profit for the year:		
U.K. corporation tax from 20% to 30% (1999: from 20% to 31%)	81,320	90,755
Tax credits on franked investment income	-	3,473
Movement on deferred taxation	(200)	-
Adjustment in respect of prior period – corporation tax	<u>(564)</u>	<u>-</u>
	<u>80,556</u>	<u>94,228</u>
8 Intangible Fixed Assets - Group and Company		2000
		£
Manor and market rights:		
Cost at beginning and end of year		<u>10,202</u>
Accumulated depreciation at beginning of year		2,448
Charged in year		<u>204</u>
Accumulated depreciation at end of year		<u>2,652</u>
Net book value at end of year		<u>7,550</u>
Net book value at beginning of year		<u>7,754</u>

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

9 Tangible Fixed Assets

a) Group	Investment Properties £	Freehold Land and Buildings £	Fixtures Fittings and Vehicles £	Total £
Cost or valuation at beginning of year	3,019,345	26,061	197,771	3,243,177
Additions	-	-	3,600	3,600
Disposals	(228,225)	-	-	(228,225)
Cost or valuation at end of year	<u>2,791,120</u>	<u>26,061</u>	<u>201,371</u>	<u>3,018,552</u>
Accumulated depreciation at beginning of year	-	8,771	180,245	189,016
Charged in year	-	417	5,526	5,943
Accumulated depreciation at end of year	-	<u>9,188</u>	<u>185,771</u>	<u>194,959</u>
Net book value at end of year	<u>2,791,120</u>	<u>16,873</u>	<u>15,600</u>	<u>2,823,593</u>
Net book value at beginning of year	<u>3,019,345</u>	<u>17,290</u>	<u>17,526</u>	<u>3,054,161</u>
b) Company	Investment Properties £	Freehold Land and Buildings £	Fixtures Fittings and Vehicles £	Total £
Cost or valuation at beginning of year	3,019,345	26,061	194,379	3,239,785
Additions	-	-	3,600	3,600
Disposals	(228,225)	-	-	(228,225)
Cost or valuation at end of year	<u>2,791,120</u>	<u>26,061</u>	<u>197,979</u>	<u>3,015,160</u>
Accumulated depreciation at beginning of year	-	8,771	177,533	186,304
Charged in year	-	417	5,187	5,604
Accumulated depreciation at end of year	-	<u>9,188</u>	<u>182,720</u>	<u>191,908</u>
Net book value at end of year	<u>2,791,120</u>	<u>16,873</u>	<u>15,259</u>	<u>2,823,252</u>
Net book value at beginning of year	<u>3,019,345</u>	<u>17,290</u>	<u>16,846</u>	<u>3,053,481</u>

The investment properties were valued by Messrs Hirsch & Co, Chartered Surveyors on a market value basis at 31 December 1997. This valuation has been applied to the investment properties as at 30 September 2000, since in the opinion of the directors, there has been no material change in the open market value of these properties since that date. The original cost of investment properties amounted to £3,078,930.

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

10 Investments	Listed	2000 Unlisted	2000 Total	1999 Total
	£	£	£	£
Listed and unlisted:				
Cost or market value at beginning of year	928,078	490,969	1,419,047	949,751
Additions	520,707	512,884	1,033,591	789,065
Disposals	(251,223)	-	(251,223)	(357,946)
Repaid	-	(55,021)	(55,021)	(97,560)
On revaluation	(107,365)	-	(107,365)	135,737
Provision against cost of unlisted investments	-	(30,000)	(30,000)	-
	<u>1,090,197</u>	<u>918,832</u>	<u>2,009,029</u>	<u>1,419,047</u>

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Listed and unlisted as above	2,009,029	1,419,047	2,009,029	1,419,047
Shares in subsidiary companies: Cost less amounts written off at beginning and end of year	-	-	8,792	8,792
	<u>2,009,029</u>	<u>1,419,047</u>	<u>2,017,821</u>	<u>1,427,839</u>

	2000	1999
	£	£
Subsidiary Companies:		
Nash Fordham and Company Limited 208 Ordinary shares of £1 each Cost less amounts written off	-	-
Royston Market Company Limited 2,000 Ordinary shares of £1 each Cost less amounts written off	8,792	8,792
	<u>8,792</u>	<u>8,792</u>

The above subsidiary companies are wholly owned subsidiaries and are registered in England. Nash Fordham and Company Limited has not traded in the year.

11 Stocks	2000	1999
	£	£
Trading land	<u>7,232</u>	<u>7,232</u>

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

12 Debtors	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Due within one year:				
Other debtors	9,219	8,661	8,805	6,245
Prepayments	73,613	2,731	73,613	2,731
	<u>82,832</u>	<u>11,392</u>	<u>82,418</u>	<u>8,976</u>

13 Creditors: Amounts falling due within one year

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Bank overdraft	663,397	426,344	663,397	426,344
Amounts owed to group Company	-	-	23,474	28,264
Corporation tax	78,945	82,191	69,825	71,162
Other taxes and social security costs	3,190	3,039	3,190	3,039
Other	55,188	55,188	55,188	55,188
Accruals and deferred income	66,679	60,432	60,362	49,093
Proposed dividend	51,030	51,030	51,030	51,030
	<u>918,429</u>	<u>678,224</u>	<u>926,466</u>	<u>684,120</u>

The bank overdraft is secured by a debenture over the freehold properties of the Company and there exists a cross guarantee and debenture between NPK Holdings Limited and its subsidiaries.

14 Provisions for Liabilities and Charges

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
The movement on deferred taxation is as follows:				
Accelerated capital allowances	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>

15 Share Capital

	Group and Company	
	2000 £	1999 £
Authorised:		
300,000 Ordinary shares of £1 each	300,000	300,000
700,000 10% Preference shares of £1 each	700,000	-
	<u>1,000,000</u>	<u>300,000</u>
Allotted, called up and fully paid:		
283,500 Ordinary shares of £1 each	283,500	283,500
170,073 10% Preference shares of £1 each	170,073	-
	<u>453,573</u>	<u>283,500</u>

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

Movements during the year		Ordinary shares of £1 each £	10% Preference shares of £1 each £
At 1 October 1999		283,500	-
Issues during the year		-	170,073
At 30 September 2000		283,500	170,073

16	Reserves	Investment Revaluation Reserve £	Profit and Loss £
At 1 October 1999		(5,646)	3,543,460
Profit for the year		-	298,114
Realised profits transferred from investment revaluation reserve		(132,820)	132,820
Deficit on revaluation of assets		(107,365)	-
Bonus issue of 10% Preference shares		-	(170,073)
At 30 September 2000		(245,831)	3,804,321

17	Reconciliation of the Movement in Shareholders' Funds			
	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Profit for the financial year	366,151	302,060	366,151	26,427
Dividends	(68,037)	(51,030)	(68,037)	(51,030)
	298,114	251,030	298,114	(24,603)
Other reserves – movement during the year	(107,365)	131,223	(107,365)	131,223
Increase in shareholders' funds	190,749	382,253	190,749	106,620
Opening shareholders' funds	3,821,314	3,439,061	3,821,314	3,714,694
Closing shareholders' funds	4,012,063	3,821,314	4,012,063	3,821,314

18 Pensions

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. In addition, the Group pays pensions to former employees. The pension cost charge represents contributions payable by the Group to the fund amounting to £2,221 and pension payments of £4,600 (1999: £2,221 and £4,435 respectively).

**NPK HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Notes to the Financial Statements

for the year ended 30 September 2000

19 Related Party Transactions

The shares of the Company are owned by numerous individuals. Mr J R M Keatley, a director of the Company, owns 20.4% of the shares of the Company and has a significant influence over the operating and financial policies of NPK Holdings Limited and its subsidiary companies.

Mr J R M Keatley is also a director of Ashtenne Residential Limited, Ashtenne Residential Capital Limited and Enterprise Heritage Capital Limited, which the company has made material investments in. During the year NPK Holdings Limited received gross interest of £3,737 from Ashtenne Residential Capital Limited and £1,063 from Ashtenne Residential Limited from its investments in loan stock in the companies.

In 1998 the holding company purchased freehold land for the sum of £14,464. Mr P H Franks has a 50% interest in this freehold land and reimbursed the company the sum of £7,232 in the year, which represents 50% of the original cost.