

*Majority share*

**Company Number: 1346**

**NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES**

**Financial Statements**

**for the year ended 30 September 2001**



**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

**Company Information**

**Company Number: 1346**

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**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  
Hertfordshire  
SG8 6AF

**Auditors**

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

**Bankers**

Barclays Bank Plc  
23 High Street  
Royston  
Hertfordshire  
SG8 9AB

**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

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NOTICE IS HEREBY GIVEN that an Annual General Meeting of the above-named Company will be held at 1 Dolphin Lane, Melbourn, Royston, Hertfordshire, SG8 6AF on 10 May 2002 at 12 noon.

1. To receive and adopt the report of the Directors and the Financial Statements for the year ended 30 September 2001.
2. To declare a dividend on the ordinary shares.
3. To re-appoint Peters Elworthy & Moore as Auditors.

Dated: 1 March 2002

**BY ORDER OF THE BOARD**



**Secretary/Director J R M Keatley**

NOTE: Any member of the Company, entitled to attend the above meeting, may appoint one proxy to attend and vote in his/her stead, and such proxy need not be a member of the Company. Any such proxies must be lodged with the Company at its registered office at least 48 hours prior to the time appointed for the meeting.

Registered Office: 1 Dolphin Lane  
Melbourn  
Royston  
Hertfordshire  
SG8 6AF

# **NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES**

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# **NPK HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES**

## **Directors' Report**

**for the year ended 30 September 2001**

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The directors submit their report together with the audited financial statements of the group for the year ended 30 September 2001.

### **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 principal activity of the group continues to be that of investing in shares and properties. The directors intend to continue to develop such activities.

The profit on the ordinary activities of the group before taxation amounted to £207,000. After deducting taxation, the profit of £174,124 has been transferred to reserves.

The company reports one of the most disappointing sets of results for many years with profits of £207,000 against £466,707 in 2000. The al Qaeda attack on the New York Trade Towers on 11 September came just three weeks before the company's year end with predictable effects on our quoted investments. Subsequently our unquoted investments which are US dependent were also adversely affected. There has been some recovery since in the case of the listed investments but the continuing flow of company problems is still a concern.

Housebuilding, after a downturn at the end of 2000 appears to have recovered but, in the circumstances, the board is not in a position to forecast results for the current year.

### **Dividend**

The dividend paid on preference shares was 10p per share.

The dividend recommended on ordinary shares is 18p per share (2000: 18p per share).

**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

**Directors' Report**

**for the year ended 30 September 2001**

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**Directors and their Interests**

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

	<b>Ordinary 2001</b>	<b>Preference 2001</b>	<b>Ordinary 2000</b>	<b>Preference 2000</b>
P J Schwind	-	-	-	-
J R M Keatley	57,776	34,666	57,776	34,666
M M Phizacklea	-	-	-	-
P H Franks	-	-	-	-

**Property**

Investment properties are stated at their current market value of £2,703,380. 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 £1,709 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:** 1 March 2002

**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

**Independent Auditors' Report to the Shareholders**

**year ended 30 September 2001**

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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 in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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

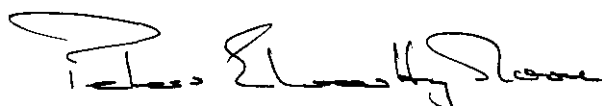
**Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 the group's and the company's affairs as at 30 September 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PETERS ELWORTHY & MOORE**  
Chartered Accountants and  
Registered Auditor

**CAMBRIDGE**  
Date: 5 March 2002

**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

**Consolidated Profit and Loss Account**

**for the year ended 30 September 2001**

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Turnover</b>	<b>2</b>		<b>934,042</b>		<b>1,170,309</b>
Other external charges			<u>(512,651)</u>		<u>(529,526)</u>
			<b>421,391</b>		<b>640,783</b>
Staff costs	<b>3</b>	<b>88,279</b>		<b>83,982</b>	
Depreciation		<b>10,243</b>		<b>6,147</b>	
Other operating charges		<u><b>76,344</b></u>		<u><b>68,802</b></u>	
			<b>174,866</b>		<b>158,931</b>
<b>Operating profit</b>	<b>4</b>		<b>246,525</b>		<b>481,852</b>
Other interest receivable	<b>5</b>		<u><b>467</b></u>		<u><b>305</b></u>
			<b>246,992</b>		<b>482,157</b>
Interest payable	<b>6</b>		<u><b>(39,992)</b></u>		<u><b>(35,450)</b></u>
<b>Profit on Ordinary Activities before Taxation</b>			<b>207,000</b>		<b>446,707</b>
Tax on profit on ordinary activities	<b>7</b>		<u><b>(32,876)</b></u>		<u><b>(80,556)</b></u>
<b>Profit on Ordinary Activities after Taxation</b>			<b>174,124</b>		<b>366,151</b>
Dividends	<b>8</b>		<u><b>(68,037)</b></u>		<u><b>(68,037)</b></u>
<b>Retained profit transferred to reserves</b>	<b>16</b>		<u><u><b>106,087</b></u></u>		<u><u><b>298,114</b></u></u>

*All amounts relate to continuing activities.*



**NPK HOLDINGS LIMITED AND ITS  
SUBSIDIARY COMPANIES**

**Consolidated Balance Sheet**

**as at 30 September 2001**

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed Assets</b>					
Intangible assets	9		7,346		7,550
Tangible assets	10		2,750,245		2,823,593
Investments	11		<u>2,211,150</u>		<u>2,009,029</u>
			4,968,741		4,840,172
<b>Current Assets</b>					
Stocks	12	6,820		7,232	
Debtors	13	18,539		82,832	
Cash in hand		<u>149</u>		<u>256</u>	
		25,508		90,320	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(1,024,873)</u>		<u>(918,429)</u>	
<b>Net Current Liabilities</b>			<u>(999,365)</u>		<u>(828,109)</u>
			<u>3,969,376</u>		<u>4,012,063</u>
<b>Capital and Reserves</b>					
Share capital	15		453,573		453,573
Investment revaluation reserve	15		(449,314)		(245,831)
Profit and loss account	16		<u>3,965,117</u>		<u>3,804,321</u>
Shareholders' funds	17		<u>3,969,376</u>		<u>4,012,063</u>
<b>Analysis of shareholders' funds</b>					
Equity interests			3,799,303		3,841,990
Non-equity interests			<u>170,073</u>		<u>170,073</u>
			<u>3,969,376</u>		<u>4,012,063</u>

**ON BEHALF OF THE BOARD**



**J R M Keatley  
Director**

**Approved by the Board on 1 March 2002**

# NPK HOLDINGS LIMITED

## Balance Sheet

as at 30 September 2001

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed Assets</b>					
Intangible assets	9		7,346		7,550
Tangible assets	10		2,750,245		2,823,252
Investments	11		<u>2,213,150</u>		<u>2,017,821</u>
			4,970,741		4,848,623
<b>Current Assets</b>					
Stocks	12	6,820		7,232	
Debtors	13	18,539		82,418	
Cash in hand		<u>149</u>		<u>256</u>	
		25,508		89,906	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(1,026,873)</u>		<u>(926,466)</u>	
<b>Net Current Liabilities</b>			<u>(1,001,365)</u>		<u>(836,560)</u>
			<u>3,969,376</u>		<u>4,012,063</u>
<b>Capital and Reserves</b>					
Share capital	15		453,573		453,573
Investment revaluation reserve	16		(449,314)		(245,831)
Profit and loss account	16		<u>3,965,117</u>		<u>3,804,321</u>
Shareholders' funds	17		<u>3,969,376</u>		<u>4,012,063</u>
<b>Analysis of shareholders' funds</b>					
Equity interests			3,799,303		3,841,990
Non-equity interests			<u>170,073</u>		<u>170,073</u>
			<u>3,969,376</u>		<u>4,012,063</u>

ON BEHALF OF THE BOARD



J R M Keatley  
Director

Approved by the Board on 1 March 2002

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Statement of Total Recognised Gains and Losses**

**for the year ended 30 September 2001**

	2001 £	2000 £
Profit for the financial year	174,124	366,151
Unrealised (deficit) on revaluation of investments	<u>(148,774)</u>	<u>(107,365)</u>
Total gains recognised since last annual report	<u><u>25,350</u></u>	<u><u>258,786</u></u>

**Note of historical cost profits and losses**

	2001 £	2000 £
Reported profit on ordinary activities before taxation	207,000	446,707
Realisation of investment and property revaluation gains of previous years	<u>54,709</u>	<u>132,820</u>
Historical cost profit on ordinary activities before taxation	<u><u>261,709</u></u>	<u><u>579,527</u></u>
Historical cost profit for the year retained after taxation and dividends	<u><u>160,796</u></u>	<u><u>430,934</u></u>

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

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**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.

***Turnover***

The turnover shown in the profit and loss account represents amounts receivable during the year.

***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 2001. 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 £106,087 (2000: £298,114).

***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 2001**

**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.

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Rental income from properties	344,501	354,066
Income from listed investments	29,643	55,547
Income from unlisted investments	37,376	47,040
Proceeds from sale of listed investments	301,393	382,956
Proceeds from sale of unlisted investments	83,341	-
Proceeds from sale of investment properties	135,700	330,700
Proceeds from sale of trading land	2,088	-
	<u>934,042</u>	<u>1,170,309</u>

**3 Staff Costs**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Staff costs including directors' remuneration comprise:		
Wages and salaries	72,207	69,744
Social security costs	9,264	7,417
Other pension costs	6,808	6,821
	<u>88,279</u>	<u>83,982</u>

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

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

Staff costs include the following information in respect of directors:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<u>65,060</u>	<u>64,009</u>

**4 Operating Profit**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit is shown after charging:		
Depreciation of tangible and intangible fixed assets	8,443	6,147
Loss on disposal of fixed assets	1,800	-
Staff costs (note 3)	88,279	83,982
Auditors' remuneration	<u>3,700</u>	<u>3,600</u>

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

<b>5 Other Interest Receivable</b>	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Other interest	<u>467</u>	<u>305</u>
<b>6 Interest Payable</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Bank overdraft	<u>39,992</u>	<u>35,450</u>
<b>7 Tax on Profit on Ordinary Activities</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Based on profit for the year:</b>		
U.K. corporation tax from 20% to 30% (2000: from 20% to 30%)	34,461	81,320
Movement on deferred taxation	-	(200)
Adjustment in respect of prior period – corporation tax	<u>(1,585)</u>	<u>(564)</u>
	<u>32,876</u>	<u>80,556</u>
<b>8 Dividends</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Equity</b>		
Ordinary shares – final proposed of 18p per share (2000: 18p per share)	51,030	51,030
<b>Non-equity</b>		
10% preference shares	<u>17,007</u>	<u>17,007</u>
	<u>68,037</u>	<u>68,037</u>
<b>9 Intangible Fixed Assets - Group and Company</b>	<b>2001</b>	
	<b>£</b>	
Manor and market rights:		
Cost at beginning and end of year		<u>10,202</u>
Accumulated depreciation at beginning of year		2,652
Charged in year		<u>204</u>
Accumulated depreciation at end of year		<u>2,856</u>
Net book value at end of year		<u>7,346</u>
Net book value at beginning of year		<u>7,550</u>

The directors consider the rights acquired to have a life of fifty years and consequently the cost is being amortised over this period.

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

**10 Tangible Fixed Assets**

<b>a) Group</b>	<b>Investment Properties £</b>	<b>Freehold Land and Buildings £</b>	<b>Fixtures Fittings and Vehicles £</b>	<b>Total £</b>
Cost or valuation at beginning of year	2,791,120	26,061	201,371	3,018,552
Additions	-	-	26,431	26,431
Disposals	(87,740)	-	(18,592)	(106,332)
Cost or valuation at end of year	<u>2,703,380</u>	<u>26,061</u>	<u>209,210</u>	<u>2,938,651</u>
Accumulated depreciation at beginning of year	-	9,188	185,771	194,959
Charged in year	-	417	7,822	8,239
Eliminated on disposals	-	-	(14,792)	(14,792)
Accumulated depreciation at end of year	<u>-</u>	<u>9,605</u>	<u>178,801</u>	<u>188,406</u>
Net book value at end of year	<u>2,703,380</u>	<u>16,456</u>	<u>30,409</u>	<u>2,750,245</u>
Net book value at beginning of year	<u>2,791,120</u>	<u>16,873</u>	<u>15,600</u>	<u>2,823,593</u>
<b>b) Company</b>	<b>Investment Properties £</b>	<b>Freehold Land and Buildings £</b>	<b>Fixtures Fittings and Vehicles £</b>	<b>Total £</b>
Cost or valuation at beginning of year	2,791,120	26,061	197,979	3,015,160
Additions	-	-	26,431	26,431
Disposals	(87,740)	-	(15,200)	(102,940)
Cost or valuation at end of year	<u>2,703,380</u>	<u>26,061</u>	<u>209,210</u>	<u>2,938,651</u>
Accumulated depreciation at beginning of year	-	9,188	182,720	191,908
Charged in year	-	417	7,481	7,898
Eliminated on disposals	-	-	(11,400)	(11,400)
Accumulated depreciation at end of year	<u>-</u>	<u>9,605</u>	<u>178,801</u>	<u>188,406</u>
Net book value at end of year	<u>2,703,380</u>	<u>16,456</u>	<u>30,409</u>	<u>2,750,245</u>
Net book value at beginning of year	<u>2,791,120</u>	<u>16,873</u>	<u>15,259</u>	<u>2,823,252</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 2001, 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 £3,049,870.

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

11 Investments	2001 Listed £	2001 Unlisted £	2001 Total £	2000 Total £
Listed and unlisted:				
Cost or market value at beginning of year	1,090,196	918,832	2,009,028	1,419,047
Additions	414,337	420,910	835,247	1,033,591
Disposals	(254,004)	-	(254,004)	(251,223)
Repaid	-	(201,440)	(201,440)	(55,021)
On revaluation	(148,774)	-	(148,774)	(107,365)
Provision against cost of unlisted investments	-	(28,907)	(28,907)	(30,000)
	<u>1,101,755</u>	<u>1,109,395</u>	<u>2,211,150</u>	<u>2,009,029</u>

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Listed and unlisted as above	2,211,150	2,009,029	2,211,150	2,009,029
Shares in subsidiary companies: Cost less amounts written off at beginning and end of year	-	-	2,000	8,792
	<u>2,211,150</u>	<u>2,009,029</u>	<u>2,213,150</u>	<u>2,017,821</u>

	2001 £	2000 £
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	2,000	8,792
	<u>2,000</u>	<u>8,792</u>

The above subsidiary companies are wholly owned and are registered in England.

Royston Market Company Limited's income was derived from rental income. Its activities ceased during the year, when the leases were transferred to NPK Holdings Limited. Nash Fordham and Company Limited has not traded in the year.

12 Stocks	Group	
	2001 £	2000 £
Trading land	<u>6,820</u>	<u>7,232</u>



**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

13 Debtors	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Due within one year:				
Other debtors	14,495	9,219	14,495	8,805
Prepayments	4,044	73,613	4,044	73,613
	<u>18,539</u>	<u>82,832</u>	<u>18,539</u>	<u>82,418</u>

**14 Creditors: Amounts falling due within one year**

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Bank overdraft	817,936	663,397	817,936	663,397
Amounts owed to group company	-	-	9,391	23,474
Corporation tax	32,461	78,945	25,945	69,825
Other taxes and social security costs	3,216	3,190	3,216	3,190
Other	66,189	55,188	66,189	55,188
Accruals and deferred income	54,041	66,679	53,166	60,362
Proposed dividend	51,030	51,030	51,030	51,030
	<u>1,024,873</u>	<u>918,429</u>	<u>1,026,873</u>	<u>926,466</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.

**15 Share Capital**

	Group and Company	
	2001 £	2000 £
<b>Authorised:</b>		
300,000 Ordinary shares of £1 each	300,000	300,000
700,000 10% Preference shares of £1 each	700,000	700,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid:</b>		
283,500 Ordinary shares of £1 each	283,500	283,500
170,073 10% Preference shares of £1 each	170,073	170,073
	<u>453,573</u>	<u>453,573</u>

**NPK HOLDINGS LIMITED  
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**for the year ended 30 September 2001**

**16 Reserves**

	<b>Investment Revaluation Reserve £</b>	<b>Profit and Loss £</b>
At 1 October 2000	(245,831)	3,804,321
Profit for the year	-	106,087
Realised profits transferred from investment revaluation reserve	(54,709)	54,709
Deficit on revaluation of assets	(148,774)	-
At 30 September 2001	<u>(449,314)</u>	<u>3,965,117</u>

**17 Reconciliation of the Movement in Shareholders' Funds**

	<b>Group</b>		<b>Company</b>	
	<b>2001 £</b>	<b>2000 £</b>	<b>2001 £</b>	<b>2000 £</b>
Profit for the financial year	174,124	366,151	174,124	366,151
Dividends	(68,037)	(68,037)	(68,037)	(68,037)
	<u>106,087</u>	<u>298,114</u>	<u>106,087</u>	<u>298,114</u>
Other reserves – movement during the year	(148,774)	(107,365)	(148,774)	(107,365)
(Decrease) / Increase in shareholders' funds	(42,687)	190,749	(42,687)	190,749
Opening shareholders' funds	<u>4,012,063</u>	<u>3,821,314</u>	<u>4,012,063</u>	<u>3,821,314</u>
Closing shareholders' funds	<u>3,969,376</u>	<u>4,012,063</u>	<u>3,969,376</u>	<u>4,012,063</u>

**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 £4,587. (2000: £2,221 and £4,600 respectively).

**NPK HOLDINGS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**Notes to the Financial Statements**

**for the year ended 30 September 2001**

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**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, in which the company has made material investments. During the year NPK Holdings Limited received gross interest of £15,405 from Ashtenne Residential Capital Limited and £2,387 from Ashtenne Residential Limited from its investments in the loan stock of these companies.

The company occupies premises owned by Mr J R M Keatley. Mr J R M Keatley has charged the company a market rent of £11,000 for the year ended 30 September 2001. This amount was still outstanding at the year end.