

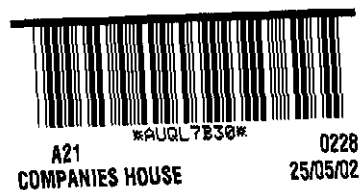
Contents

Consolidated financial statements for
the year ended 31 December 2001

**Langdon Group Limited
and subsidiary
undertakings**

Notice of Annual General Meeting

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Langdon Group Limited and subsidiary undertakings

Company information

Directors	M P T Donoghue (Chairman) R G Holder FCA S E Holder FCA P J F Rowe R J Swindells J G R Rix (Non-Executive) W G Underwood (Non-Executive)
Secretary	R G Holder FCA
Company number	02258673
Registered office	Walford Cross Taunton Somerset TA2 8QP
Registered auditors	Mazars Neville Russell Beaufort Buildings Clifton Down Bristol BS8 4AN
Bankers	Lloyds Bank Plc 31 Fore Street Taunton Somerset TA1 1HN

Langdon Group Limited and subsidiary undertakings

Directors' report For the year ended 31 December 2001

The directors present their report and financial statements for the year ended 31 December 2001.

Directors' responsibilities

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

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

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

Directors

The following directors have held office since 1 January 2001:

M P T Donoghue (Chairman)
R G Holder FCA
S E Holder FCA
P J F Rowe
R J Swindells
J G R Rix (Non-Executive)
W G Underwood (Non-Executive)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

Langdon Group Limited	Ordinary Shares of 10p each	
	31 December 2001	1 January 2001
M P T Donoghue	837,043	837,043
R G Holder	10,000	10,000
S E Holder	-	-
P J F Rowe	305,699	305,699
R J Swindells	300,699	300,699
J G R Rix	67,500	67,500
W G Underwood	-	-

West Monkton Advisory Services Limited, a company in which R G Holder and S E Holder have a beneficial interest, holds 240,059 (2000: 240,059) ordinary 10p shares.

Langdon Group Limited and subsidiary undertakings

Directors' report (continued) For the year ended 31 December 2001

Principal activities and review of the business

The principal activity of the group during the year continued to be the provision of temperature controlled haulage facilities, distribution, cold and chill storage, warehousing and transport services.

The company's principal activity during the year continued to be that of a non-trading holding company.

Turnover has decreased from £26,503,605 to £23,648,210 during the year. The board is continuing to focus the group's resources and efforts on temperature controlled haulage, cold and chill storage and distribution, and to broaden its customer base.

The directors anticipate a modest increase in revenues in 2002.

Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend of 1.5p per share was paid on 3 December 2001, amounting to £36,000. The directors recommend payment of a final dividend of 2p per share amounting to £48,000.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Creditor payment policy

The company's creditor policy is to ensure that full benefit is taken on the terms offered to them by their suppliers.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Langdon Group Limited and subsidiary undertakings

Directors' report (continued)

For the year ended 31 December 2001

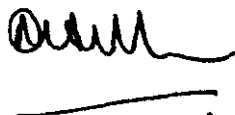
Employee involvement

During the year, the policy of providing employees with information about the group has been continued through the newsletter in which employees have also been encouraged to present their suggestions and views.

Auditors

Mazars Neville Russell were appointed auditors to the company on 31 May 2001 and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Approved by the board on 16th May 2002
and signed on its behalf by



A handwritten signature in black ink, consisting of a series of loops and a horizontal line at the end.

Langdon Group Limited and subsidiary undertakings

Independent Auditors' report

To the shareholders of Langdon Group Limited and subsidiary undertakings

We have audited the financial statements on pages 5 to 25. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is 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 is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 December 2001 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Maya Neville Russell

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
Bristol

16 May 2002

Langdon Group Limited and subsidiary undertakings

Consolidated profit and loss account For the year ended 31 December 2001

	Notes	2001 £	2000 £
Turnover	2	23,648,210	26,503,605
Cost of sales		(19,667,053)	(22,510,286)
Gross profit		3,981,157	3,993,319
Administrative expenses		(3,100,851)	(2,974,254)
Other operating income	5	1,130,605	-
Operating profit	4	2,010,911	1,019,065
Exceptional loss on disposal of fixed assets	6	(120,333)	-
Profit on ordinary activities before interest		1,890,578	1,019,065
Other interest receivable and similar income	7	8,418	252
Interest payable and similar charges	8	(617,658)	(659,312)
Profit on ordinary activities before taxation		1,281,338	360,005
Tax on profit on ordinary activities	11	(100,556)	74
Profit on ordinary activities after taxation		1,180,782	360,079
Dividends	13	(84,000)	(72,000)
Retained profit for the year	22	1,096,782	288,079

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

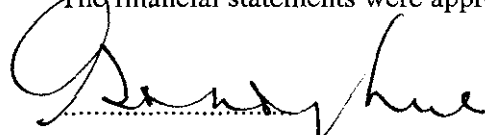
Langdon Group Limited and subsidiary undertakings

Balance sheets

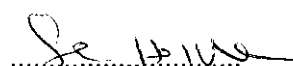
As at 31 December 2001

	Notes	Group 2001 £	2000 £	Company 2001 £	2000 £
Fixed assets					
Tangible assets	14	17,051,998	18,306,207	-	-
Investments	15	-	-	291,929	291,929
		<u>17,051,998</u>	<u>18,306,207</u>	<u>291,929</u>	<u>291,929</u>
Current assets					
Stocks	16	105,396	197,662	-	-
Debtors	17	4,389,598	4,371,970	4,115,496	4,129,192
Cash at bank and in hand		1,423	657	-	-
		<u>4,496,417</u>	<u>4,570,289</u>	<u>4,115,496</u>	<u>4,129,192</u>
Creditors: amounts falling due within one year	18	(10,183,240)	(8,394,887)	(53,083)	(2,144,907)
Net current liabilities		<u>(5,686,823)</u>	<u>(3,824,598)</u>	<u>4,062,413</u>	<u>1,984,285</u>
Total assets less current liabilities		11,365,175	14,481,609	4,354,342	2,276,214
Creditors: amounts falling due after more than one year	19	(3,767,465)	(7,980,681)	(400,000)	(400,000)
		<u>7,597,710</u>	<u>6,500,928</u>	<u>3,954,342</u>	<u>1,876,214</u>
Capital and reserves					
Called up share capital	21	240,000	240,000	240,000	240,000
Share premium account	22	1,425,000	1,425,000	1,425,000	1,425,000
Revaluation reserve	22	1,288,917	1,294,307	-	-
Other reserves	22	564,732	564,732	167,411	167,411
Profit and loss account	22	4,079,061	2,976,889	2,121,931	43,803
Shareholders' funds - equity interests		<u>7,597,710</u>	<u>6,500,928</u>	<u>3,954,342</u>	<u>1,876,214</u>

The financial statements were approved by the Board on 11th May 2002



Director



Director

Langdon Group Limited and subsidiary undertakings

Consolidated cash flow statement For the year ended 31 December 2001

	Notes	2001 £	2000 £
Net cash inflow from operating activities	24	2,789,863	2,316,508
Returns on investments and servicing of finance			
Interest received	8,418	252	
Interest paid	(381,033)	(394,767)	
Interest element of hire purchase contracts	(236,625)	(264,545)	
Net cash outflow for returns on investments and servicing of finance		(609,240)	(659,060)
Taxation		-	(11,212)
Capital expenditure			
Payments to acquire tangible assets	(229,744)	(258,293)	
Receipts from sales of tangible assets	246,559	37,016	
Net cash inflow/(outflow) for capital expenditure		16,815	(221,277)
Net cash outflow for acquisitions and disposals			-
Equity dividends paid		(107,437)	(29,360)
Net cash inflow before management of liquid resources and financing		2,090,001	1,395,649
Financing			
Repayment of long term bank loan	(511,578)	(304,384)	
Repayment of other short term loans	(1,064,233)	(32,576)	
Capital element of hire purchase contracts	(1,735,701)	(1,818,267)	
Net cash outflow from financing		(3,311,512)	(2,155,227)
Decrease in cash in the year	25	(1,221,511)	(759,578)

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements

For the year ended 31 December 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2001. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	1-2% on revaluation
Plant and machinery	1-20 years
Motor vehicles	Tractor units 2-7 years
	Trailer units 5-10 years
	Cars 3-5 years

1.6 Leasing

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under finance lease agreements and hire purchase contracts are included in creditors net of the finance charge allocated to future periods. The finance element of the payment under these contracts is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

1 Accounting policies

(continued)

1.9 Pensions

The company operates a number of pension schemes. The assets of the schemes are held separately from those of the company, being invested with insurance companies and in an independently administered fund. Contributions to the scheme are charged to the profit and loss account as follows:-

1) Where benefits are based on final pensionable pay, pension costs are charged so as to spread the cost of pensions over employees' working lives with the company.

2) Where benefits are based on defined contributions to the scheme, pension costs are charged to the period in which they are payable.

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Segmental analysis by class of business

The analysis by class of business of the group's turnover is set out as below:

Turnover

	2001 £	2000 £
Class of business		
Haulage	19,431,407	21,981,466
Warehousing	3,987,933	4,064,959
Transport services	228,870	457,180
	<u>23,648,210</u>	<u>26,503,605</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2001

3 Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2001 £	2000 £
Geographical segment		
U.K.	23,624,771	26,470,601
Europe	23,439	30,519
Other	-	2,485
	<u>23,648,210</u>	<u>26,503,605</u>

4 Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,684,955	1,499,700
Operating lease rentals		
- Plant and machinery	301,528	342,369
- Other assets	44,789	-
Auditors' remuneration	17,240	19,952
and after crediting:		
Rents receivable	<u>(124,949)</u>	<u>-</u>

5 Other operating income

	2001 £	2000 £
Rent received	124,949	-
Loan waiver	<u>1,000,000</u>	<u>-</u>
	<u>1,124,949</u>	<u>-</u>

The loan waiver of £1,000,000 is an amount previously advanced to the company in the form of a loan from Procter and Gamble which has subsequently been written off.

6 Exceptional items

The exceptional loss on disposal relates to the loss suffered by the group on the scrapping of obsolete assets.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2001

7 Other interest receivable and similar income	2001 £	2000 £
Other interest	8,418	252

8 Interest payable	2001 £	2000 £
On bank loans and overdrafts	354,289	354,517
Lease finance charges and hire purchase interest	236,625	264,545
Other interest	26,744	40,250
	617,658	659,312

9 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Administration	86	87
Haulage	137	169
Warehousing	76	92
	299	348

Employment costs

	£	£
Wages and salaries	5,533,740	6,339,971
Social security costs	515,814	602,383
Other pension costs	86,964	76,965
	6,136,518	7,019,319

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

10 Directors' emoluments	2001 £	2000 £
Emoluments for qualifying services	<u>256,509</u>	<u>254,201</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2000 - 4).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	72,069	77,599
Company pension contributions to money purchase schemes	<u>9,688</u>	<u>9,000</u>

The following directors had share options granted to them on 21 September 1999 - Mr M P T Donoghue 10,000, Mr R J Swindells 7,500, Mr P Rowe 7,500 and Mr R G Holder 7,500. These options are exercisable three years after the date of grant, at a price of £2.25 per share.

11 Taxation	2001 £	2000 £
U.K. current year taxation		
U.K. corporation tax at 25% (2000 - 20%)	100,556	810
Prior years		
U.K. corporation tax	-	(884)
	<u>100,556</u>	<u>(74)</u>

The group has estimated losses of £Nil (2000 £842,500) available for carry forward against future trading profits.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

12 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2001 £	2000 £
Holding company's profit for the financial year	2,162,128	71,190

13 Dividends

	2001 £	2000 £
Ordinary interim paid at 1.5p per share	36,000	-
Ordinary final proposed at 2p per share	48,000	72,000
	84,000	72,000

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2001

14 Tangible fixed assets

Group

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2001	7,186,309	6,081,789	9,604,559	22,872,657
Additions	63,795	68,757	644,774	777,326
Disposals	-	(309,088)	(565,248)	(874,336)
	<u>7,250,104</u>	<u>5,841,458</u>	<u>9,684,085</u>	<u>22,775,647</u>
Depreciation				
At 1 January 2001	138,328	1,112,890	3,315,232	4,566,450
On disposals	-	(180,772)	(346,984)	(527,756)
Charge for the year	62,537	401,632	1,220,786	1,684,955
	<u>200,865</u>	<u>1,333,750</u>	<u>4,189,034</u>	<u>5,723,649</u>
Net book value				
At 31 December 2001	<u>7,049,239</u>	<u>4,507,708</u>	<u>5,495,051</u>	<u>17,051,998</u>
At 31 December 2000	<u>7,047,981</u>	<u>4,968,899</u>	<u>6,289,327</u>	<u>18,306,207</u>

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 January 2001	6,409,224
Additions	63,795
	<u>6,473,019</u>
At 31 December 2001	
Depreciation based on cost	
At 1 January 2001	133,839
Charge for the year	57,147
	<u>190,986</u>
At 31 December 2001	
Net book value	
At 31 December 2001	<u>6,282,033</u>
At 31 December 2000	<u>6,275,385</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

14 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 December 2001	<u>92,482</u>	<u>4,027,073</u>	<u>4,119,555</u>
At 31 December 2000	<u>263,769</u>	<u>5,725,577</u>	<u>5,989,346</u>
Depreciation charge for the year			
31 December 2001	<u>24,558</u>	<u>732,204</u>	<u>756,762</u>
31 December 2000	<u>27,418</u>	<u>867,108</u>	<u>894,526</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

15 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 January 2001 & at 31 December 2001	291,929
Net book value	
At 31 December 2000 and 31 December 2001	291,929

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Langdon Industries Limited	England and Wales	Ordinary	100
Langdons Truck Stop (Taunton) Limited	England and Wales	Ordinary	100
Langdon Holdings Limited	England and Wales	Ordinary	100
Langdons Bridgwater Limited	England and Wales	Ordinary	100
Chillnet Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Langdon Industries Limited	Provision of temperature controlled haulage, distribution, warehousing and transport services.
Langdons Truck Stop (Taunton) Limited	Provision of retail fuel to hauliers. Dormant at year end.
Langdon Holdings Limited	Dormant
Langdons Bridgwater Limited	Dormant
Chillnet Limited	Dormant

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

16 Stocks

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Raw materials and consumables	80,307	173,364	-	-
Finished goods and goods for resale	25,089	24,298	-	-
	<u>105,396</u>	<u>197,662</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	3,706,404	3,377,342	-	-
Amounts owed by group undertakings	-	-	4,115,496	4,128,227
Other debtors	126,360	227,057	-	-
Prepayments and accrued income	556,834	767,571	-	965
	<u>4,389,598</u>	<u>4,371,970</u>	<u>4,115,496</u>	<u>4,129,192</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

18 Creditors : amounts falling due within one year

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans and overdrafts	4,008,429	2,791,432	4,518	28,069
Net obligations under finance lease and hire purchase contracts	1,177,179	1,685,909	-	-
Trade creditors	2,767,067	3,040,638	-	-
Amounts owed to group undertakings	-	-	2	2,043,078
Corporation tax	100,556	-	-	-
Taxes and social security costs	473,883	418,611	-	796
Other creditors	1,133,774	97,541	-	-
Accruals and deferred income	473,789	288,756	-	964
Proposed dividend	48,563	72,000	48,563	72,000
	<u>10,183,240</u>	<u>8,394,887</u>	<u>53,083</u>	<u>2,144,907</u>

The loan and bank overdraft are secured by a debenture over the assets of the group.

Included within Other creditors is £1,000,000 (2000 £Nil) which is secured over the freehold property at Bridgwater.

Included within other creditors is an amount due to Lloyds UDT Limited of £29,063 (2000 £64,233) which is secured on certain assets of the group.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

19 Creditors : amounts falling due after more than one year

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans	2,197,187	2,703,485	-	-
Other loans	400,000	3,427,529	400,000	400,000
Net obligations under finance leases and hire purchase agreements	1,170,278	1,849,667	-	-
	<u>3,767,465</u>	<u>7,980,681</u>	<u>400,000</u>	<u>400,000</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
Bank loans	2,678,988	3,190,566	-	-
Other loans	400,000	400,000	400,000	400,000
Wholly repayable within five years	<u>1,000,000</u>	<u>3,027,529</u>	<u>-</u>	<u>-</u>
	4,078,988	6,618,095	400,000	400,000
Included in current liabilities	<u>(1,481,801)</u>	<u>(487,081)</u>	<u>-</u>	<u>-</u>
	<u>2,597,187</u>	<u>6,131,014</u>	<u>400,000</u>	<u>400,000</u>
Instalments not due within five years	<u>889,707</u>	<u>1,322,037</u>	<u>180,000</u>	<u>260,000</u>
Loan maturity analysis				
In more than one year but not more than two years	423,148	511,942	-	-
In more than two years but not more than five years	1,284,332	4,297,035	220,000	140,000
In more than five years	<u>889,707</u>	<u>1,322,037</u>	<u>180,000</u>	<u>260,000</u>

The bank loans are repayable in equal monthly instalments and bear interest at between 1.25% and 1.75% above bank base rates.

The bank loans are secured by a debenture over the assets of the group.

The other loan is repayable by 20 consecutive quarterly instalments commencing 7 April 2004.

The interest is payable on the loan at 2% below bank base rates.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	1,177,179	1,685,909	-	-
Repayable between one and five years	<u>1,170,278</u>	<u>1,849,667</u>	<u>-</u>	<u>-</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

20 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

Group

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	1,248,926	1,229,310	-	-
Tax losses available	-	(252,836)	-	-
	<u>1,248,926</u>	<u>976,474</u>	<u>-</u>	<u>-</u>
Surplus on revaluation of land and buildings	216,280	225,292	-	-
	<u>1,465,206</u>	<u>1,201,766</u>	<u>-</u>	<u>-</u>

(a) Accelerated capital allowances

The directors consider it unlikely that the potential liability to Corporation Tax on accelerated capital allowances will crystallise in the foreseeable future due to the group's continuous capital expenditure programme. The directors believe that the annual capital allowances for tax purposes will be equal to or exceed depreciation charged in the accounts in the foreseeable future.

(b) Revaluation of freehold properties

In the opinion of the directors, whilst there is a potential liability to tax on a chargeable gain on the revaluation of the freehold property, this liability will not crystallise as, in the event of a sale, the chargeable gain would be covered by available tax allowances and reliefs.

21 Share capital

	2001	2000
	£	£
Authorised		
5,105,000 Ordinary shares of 10p each	<u>510,500</u>	<u>510,500</u>
Allotted, called up and fully paid		
2,400,000 Ordinary shares of 10p each	<u>240,000</u>	<u>240,000</u>

On 21 September 1999, the company granted certain employees the right to buy shares in the company at £2.25 per share. At 31 December 2001, there were options outstanding over 78,000 shares, which are exercisable any time after three years from the date of the grant.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

22 Statement of movements on reserves

Group

	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
Balance at 1 January 2001	1,425,000	1,294,307	564,732	2,976,889
Retained profit for the year	-	-	-	1,096,782
Transfer from revaluation reserve to profit and loss account	-	(5,390)	-	5,390
Balance at 31 December 2001	<u>1,425,000</u>	<u>1,288,917</u>	<u>564,732</u>	<u>4,079,061</u>

Company

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 January 2001	1,425,000	167,411	43,803
Retained profit for the year	-	-	2,078,128
Balance at 31 December 2001	<u>1,425,000</u>	<u>167,411</u>	<u>2,121,931</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

23 Reconciliation of movements in shareholders' funds	2001	2000
Group	£	£
Profit for the financial year	1,180,782	360,079
Dividends	(84,000)	(72,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,096,782	288,079
Opening shareholders' funds	6,500,928	6,212,849
	<hr/>	<hr/>
Closing shareholders' funds	<u>7,597,710</u>	<u>6,500,928</u>
	<hr/>	<hr/>
	2001	2000
Company	£	£
Profit for the financial year	2,162,128	71,190
Dividends	(84,000)	(72,000)
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	2,078,128	(810)
Opening shareholders' funds	1,876,214	1,877,024
	<hr/>	<hr/>
Closing shareholders' funds	<u>3,954,342</u>	<u>1,876,214</u>
	<hr/>	<hr/>
24 Reconciliation of operating profit to net cash inflow from operating activities	2001	2000
	£	£
Operating profit	2,010,911	1,019,065
Loan waived in the year	(1,000,000)	-
Depreciation of tangible assets	1,684,955	1,499,700
Profit on disposal of tangible assets	(20,312)	(805)
Decrease/(increase) in stocks	92,266	(93,319)
(Increase)/decrease in debtors	(17,629)	160,875
Increase/(decrease) in creditors within one year	39,672	(269,008)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>2,789,863</u>	<u>2,316,508</u>
	<hr/>	<hr/>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2001

25 Analysis of net debt	1 January 2001	Cash flow	Other non- 31 December cash changes	2001
	£	£	£	£
Net cash:				
Cash at bank and in hand	657	766	-	1,423
Bank overdrafts	(2,304,351)	(1,222,277)	-	(3,526,628)
	<u>(2,303,694)</u>	<u>(1,221,511)</u>	<u>-</u>	<u>(3,525,205)</u>
Debt:				
Finance leases and hire purchase contracts	(3,535,576)	1,735,701	(547,582)	(2,347,457)
Debts falling due within one year	(523,785)	(958,016)	-	(1,481,801)
Debts falling due after one year	(6,131,014)	2,533,827	1,000,000	(2,597,187)
	<u>(10,190,375)</u>	<u>3,311,512</u>	<u>452,418</u>	<u>(6,426,445)</u>
Net debt	<u>(12,494,069)</u>	<u>2,090,001</u>	<u>452,418</u>	<u>(9,951,650)</u>
26 Reconciliation of net cash flow to movement in net debt			2001	2000
			£	£
Decrease in cash in the year			(1,221,511)	(759,628)
Cash outflow from decrease in debt			<u>3,311,512</u>	<u>2,155,227</u>
Change in net debt resulting from cash flows			2,090,001	1,395,599
New finance lease and hire purchase contracts			(547,582)	(1,802,111)
Amounts written off loans			<u>1,000,000</u>	<u>-</u>
Movement in net debt in the year			2,542,419	(406,512)
Opening net debt			<u>(12,494,069)</u>	<u>(12,087,557)</u>
Closing net debt			<u>(9,951,650)</u>	<u>(12,494,069)</u>

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2001

27 Pension costs

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 pension cost charge represents contributions payable by the group to the fund and amounted to £86,964 (2000 £76,965).

The group also operates a defined benefit pension scheme, on which the latest actuarial valuation was performed on the 1 February 2000. The actuarial deficiency at this date was £71,600, which the group are eliminating by increased payments to the scheme of £27,000 per annum, over a three year period which commenced in 2001.

During the year, a new accounting standard, Financial Reporting Standard 17, 'Retirement Benefits', was introduced. In the first year of implementation of this standard, closing balance sheet information should be disclosed in the notes to the accounts, with regard to the fair market value of the scheme assets and the present value of scheme liabilities. The directors are of the opinion that the costs of obtaining this information outweigh the benefits of the disclosure and are not therefore complying with this aspect of the standard.

28 Financial commitments

At 31 December 2001 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	1,861	-	5,173	8,281
Between two and five years	150,000	-	222,528	277,859
	<u>151,861</u>	<u>-</u>	<u>227,701</u>	<u>286,140</u>

29 Contingent liabilities

Group

Guarantees relating to loan commitments of drivers under contract to the group amounted to £9,677 (2000 £56,823).

30 Related party transactions

Group

A group subsidiary incurred charges of £48,000 (2000 £37,709) during the year in respect of services provided by West Monkton Advisory Services Limited, a company in which S E Holder and R G Holder have a beneficial interest. S E Holder and R G Holder are both directors of Langdon Group Limited.

Langdon Group Limited and subsidiary undertakings

Notes to the consolidated financial statements (continued) For the year ended 31 December 2001

31 Control

There is no ultimate controlling party of the company or group.