

REGISTRAR OF
COMPANIES

Applied Distribution Group Limited

Report and Financial Statements

Year Ended

31 December 2001



BDO Stoy Hayward
Chartered Accountants

APPLIED DISTRIBUTION GROUP LIMITED

Annual report and financial statements for the year ended 31 December 2001

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Directors

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Directors

K J Austin
M J Ellis
J R M Smith

Secretary and registered office

J M Mills, Ross House, 1 Shirley Road, Windmill Hill, Enfield, Middlesex, EN2 6SB.

Company number

2290487

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

APPLIED DISTRIBUTION GROUP LIMITED

Report of the directors for the year ended 31 December 2001

The directors present their report with the audited financial statements of the company for the year ended 31 December 2001.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

The directors recommend a final dividend of £0.18561 per ordinary share amounting to £6,529,000.

Principal activity and future developments

During the year the company continued to carry on the business of a holding company. Details of its principal subsidiary undertakings and their activities are shown in note 4.

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors of the company at 31 December 2001 were:

K J Austin
M J Ellis
J R M Smith

None of the directors had any interests in the share capital of the company during the year.

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 profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

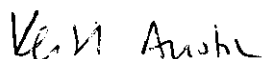
APPLIED DISTRIBUTION GROUP LIMITED

Report of the directors for the year ended 31 December 2001

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



K J Austin

Director

19 March 2002

APPLIED DISTRIBUTION GROUP LIMITED

Report of the independent auditors

To the shareholders of Applied Distribution Group Limited

We have audited the financial statements of Applied Distribution Group Limited for the year ended 31 December 2001 on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

This report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

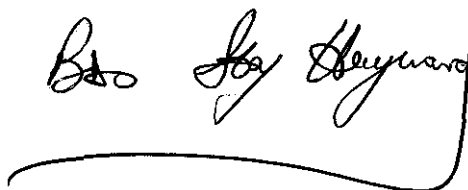
APPLIED DISTRIBUTION GROUP LIMITED

Report of the independent auditors (*Continued*)

Opinion

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

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

A handwritten signature in cursive script, appearing to read 'BDO Stoy Hayward', is written above a long, horizontal, slightly wavy line that extends across the width of the signature.

19 March 2002

APPLIED DISTRIBUTION GROUP LIMITED

Profit and loss account for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Dividends payable - equity	3	(6,529,000)	-
Accumulated loss for year		(6,529,000)	-
Retained profit brought forward		6,529,000	6,529,000
Retained profit carried forward		-	6,529,000

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The result for the year represents the movement in shareholders' funds.

The notes on pages 7 to 9 form part of these financial statements

APPLIED DISTRIBUTION GROUP LIMITED

Balance sheet at 31 December 2001

	Note	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Fixed assets					
Investments	4		17,338		17,338
Current assets					
Debtors	5	6,038		12,567	
Net current assets			6,038		12,567
			23,376		29,905
Capital and reserves					
Called up share capital	6		3,518		3,518
Share premium account	7		14,056		14,056
Merger reserve	7		5,802		5,802
Profit and loss account	7		-		6,529
Shareholders' funds			23,376		29,905

All shareholders' funds are equity.

The financial statements were approved by the Board on 19 March 2002

K. J. Austin

K J Austin
Director

The notes on pages 7 to 9 form part of these financial statements

APPLIED DISTRIBUTION GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable Accounting Standards of consolidated results of the company's ultimate parent company, Tibbett & Britten Group plc. The following principal accounting policies have been applied:

Investments

Investments held as fixed assets are stated at cost less provisions which reflect the permanent diminution in the value of the investments.

Non consolidation

Applied Distribution Group Limited, is a wholly owned subsidiary undertaking of a United Kingdom parent company and has taken advantage of the exemption under S228 of the Companies Act 1985 not to prepare consolidated accounts.

Deferred taxation

Deferred taxation is accounted for on the liability method in respect of timing differences to the extent that it is probable that a liability or asset will crystallise in the future.

2 Staff costs

The directors did not receive any remuneration during the year (2000 - £Nil).

There were no other employees except for directors.

3 Dividends payable - equity

	2001 £	2000 £
Ordinary – paid 18.561p (2000 – nil) per share	6,529,000	-

APPLIED DISTRIBUTION GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

4 Investments held as fixed assets

	2001 £'000	2000 £'000
Shares in subsidiary undertakings	17,338	17,338

At 31 December 2001 the company's subsidiary undertakings were 100% owned and registered in England and Wales.

Company name	Principal activity
Tibbett & Britten Applied Limited	Contract distribution
Blue Cap Logistics Limited	Dormant company
Bernard Brook Transport (Elland) Limited	Dormant company

5 Debtors

	2001 £'000	2000 £'000
Amounts owed by group undertakings	6,038	12,567

Amounts are recoverable within one year.

6 Share capital

	2001 £'000	2000 £'000
<i>Authorised</i>		
47,500,000 ordinary shares of 10p each	4,750	4,750
<i>Allotted, called up and fully paid</i>		
35,175,839 ordinary shares of 10p each	3,518	3,518

APPLIED DISTRIBUTION GROUP LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001 (*Continued*)

7 Reserves

	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
At 1 January 2001	14,056	5,802	6,529
Loss for year	-	-	(6,529)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	14,056	5,802	-
	<hr/>	<hr/>	<hr/>

8 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Tibbett & Britten Group plc.

9 Cash flow statements

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

10 Ultimate parent company

The ultimate parent company is Tibbett & Britten Group plc, a company registered in England and Wales, for which group accounts are prepared.

Group accounts may be obtained from:

The Company Secretary
Tibbett & Britten Group plc
Ross House
1 Shirley Road
Windmill Hill
Enfield
Middlesex
EN2 6SB