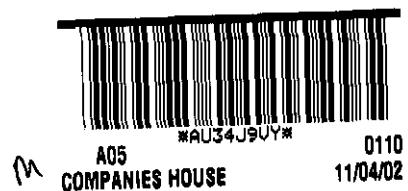


THE MATADOR COMPANY LIMITED
FINANCIAL STATEMENTS
FOR
30TH NOVEMBER 2001

Company Registration Number 01794948



MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
Moorgate House
201 Silbury Boulevard
Central Milton Keynes
Buckinghamshire MK9 1LZ

THE MATADOR COMPANY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2001

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THE MATADOR COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

K D C Ryde Esq
D M Ryde Esq

Company secretary

K D C Ryde Esq

Registered office

Unit 6
Top Angel
Buckingham Industrial Park
Buckingham
MK18 1TH

Auditors

MacIntyre Hudson
Chartered Accountants
& Registered Auditors
Moorgate House
201 Silbury Boulevard
Central Milton Keynes
Buckinghamshire MK9 1LZ

THE MATADOR COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH NOVEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th November 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of design, development and manufacture of high quality windshield wiper and washer systems for use on cars, buses and trains. These systems are either pneumatic, electric or electronically controlled. The company continues to act as distributor for certain other auxiliary products used on vehicles where these products are imported from the USA. All products are sold on a worldwide basis either direct or through accredited distributors. The company has continued in developing and implementing business systems that are accredited through Lloyds register of Quality Assurance to ISO 9001 and has been upgraded to ISO 9001/2000.

The directors are confident that the company will maintain profitability throughout the forthcoming year.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2001 £	2000 £
Dividends paid on ordinary shares	<u>91,538</u>	<u>185,641</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 30 November 2001	At 1 December 2000
	Class of share		
K D C Ryde Esq	Ordinary shares	19,500	19,500
K D C Ryde Esq	"A" ordinary shares	2	2
D M Ryde Esq	Ordinary shares	500	500
D M Ryde Esq	"A" ordinary shares	<u>1</u>	<u>1</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

THE MATADOR COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH NOVEMBER 2001

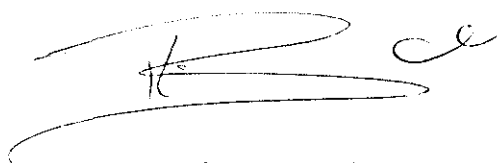
DIRECTORS' RESPONSIBILITIES *(continued)*

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. The directors 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.

Registered office:

Unit 6
Top Angel
Buckingham Industrial Park
Buckingham
MK18 1TH

Signed by order of the directors



K D C RYDE ESQ
Company Secretary

Approved by the directors on 03 - 04 - 02

THE MATADOR COMPANY LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30TH NOVEMBER 2001

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, 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.

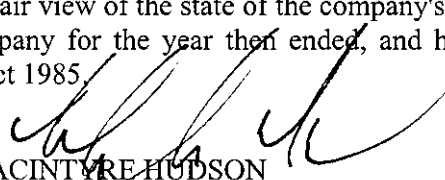
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 company's affairs as at 30th November 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Moorgate House
201 Silbury Boulevard
Central Milton Keynes
Buckinghamshire MK9 1LZ

2/4/02.....


MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

THE MATADOR COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH NOVEMBER 2001**

	Note	2001 £	2000 £
TURNOVER	1	3,078,334	3,071,512
Cost of sales		(1,899,081)	(1,852,431)
GROSS PROFIT		<u>1,179,253</u>	<u>1,219,081</u>
Distribution costs		(79,763)	(69,886)
Administrative expenses		(932,965)	(895,732)
OPERATING PROFIT	2	<u>166,524</u>	<u>253,463</u>
Tax on profit on ordinary activities	5	(34,234)	(54,596)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>132,290</u>	<u>198,867</u>
Dividends	6	(91,538)	(185,641)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>40,752</u>	<u>13,226</u>
Balance brought forward		389,025	375,799
Balance carried forward		<u>429,777</u>	<u>389,025</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

THE MATADOR COMPANY LIMITED

BALANCE SHEET

30TH NOVEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	55,153	60,403
CURRENT ASSETS			
Stocks	8	549,813	507,040
Debtors	9	961,319	967,303
Cash in hand		300	300
		<u>1,511,432</u>	<u>1,474,643</u>
CREDITORS: Amounts falling due within one year	10	<u>(1,116,805)</u>	<u>(1,126,018)</u>
NET CURRENT ASSETS		394,627	348,625
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>449,780</u>	<u>409,028</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	20,003	20,003
Profit and loss account		429,777	389,025
SHAREHOLDERS' FUNDS	14	<u>449,780</u>	<u>409,028</u>

These financial statements were approved by the directors on the 03-04-02, and are signed on their behalf by:


K D C RYDE ESQ

THE MATADOR COMPANY LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30TH NOVEMBER 2001**

	2001		2000	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		218,938		233,095
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(2,640)		(4,121)	
	—		—	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,640)		(4,121)
TAXATION		(54,596)		(63,595)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(9,850)		(4,510)	
	—		—	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(9,850)		(4,510)
EQUITY DIVIDENDS PAID		(91,538)		(185,641)
INCREASE/(DECREASE) IN CASH		<u>60,314</u>		<u>(24,772)</u>

THE MATADOR COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30TH NOVEMBER 2001

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	166,524	253,463
Interest payable	2,640	4,121
Depreciation	15,100	20,135
Increase in stocks	(42,773)	(76,536)
Decrease/(Increase) in debtors	5,984	(124,481)
Increase in creditors	71,463	156,393
Net cash inflow from operating activities	<u>218,938</u>	<u>233,095</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase/(Decrease) in cash in the period	60,314	(24,772)
Change in net debt	<u>60,314</u>	<u>(24,772)</u>
Net debt at 1st December 2000	<u>(82,761)</u>	<u>(58,289)</u>
Net debt at 30th November 2001	<u>(22,447)</u>	<u>(82,761)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 30 Nov 2001 £	Cash flows £	At 1 Dec 2000 £
Net cash:			
Cash in hand and at bank	<u>300</u>	<u>-</u>	<u>300</u>
Debt:			
Debt due within 1 year	(22,747)	60,314	(83,061)
Net debt	<u>(22,447)</u>	<u>60,314</u>	<u>(82,761)</u>

THE MATADOR COMPANY LIMITED

ACCOUNTING POLICIES

YEAR ENDED 30TH NOVEMBER 2001

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts invoiced by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	25% reducing balance
Furniture & Equipment	-	25% reducing balance
Motor Vehicles	-	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

THE MATADOR COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2001

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001	2000
	£	£
United Kingdom	2,714,316	2,705,644
Europe	169,316	189,654
Non EEC	194,702	176,214
	<u>3,078,334</u>	<u>3,071,512</u>

2. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Depreciation	15,100	20,135
Auditors' remuneration		
- as auditors	<u>3,230</u>	<u>2,750</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000
	No.	No.
Number of management/office staff	9	9
Number of sales staff	3	3
Number of warehouse staff	2	3
Number of workshop staff	14	14
	<u>28</u>	<u>29</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	560,266	546,085
Social security costs	51,278	47,893
Other pension costs	32,979	30,871
	<u>644,523</u>	<u>624,849</u>

THE MATADOR COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2001

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Emoluments receivable	70,530	67,194
Value of company pension contributions to money purchase schemes	12,646	13,313
	<u>83,176</u>	<u>80,507</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001	2000
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Corporation tax based on the results for the year at 20% (2000 - 20%)	<u>34,234</u>	<u>54,596</u>

6. DIVIDENDS

The following dividends have been paid in respect of the year:

	2001	2000
	£	£
Dividends paid on ordinary shares	61,538	125,641
Dividends paid on 'A' ordinary shares	30,000	60,000
Total dividends	<u>91,538</u>	<u>185,641</u>

THE MATADOR COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2001

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Furniture & Equipment £	Motor Vehicles £	Total £
COST				
At 1st December 2000	326,864	81,685	5,995	414,544
Additions	9,850	-	-	9,850
At 30th November 2001	<u>336,714</u>	<u>81,685</u>	<u>5,995</u>	<u>424,394</u>
DEPRECIATION				
At 1st December 2000	276,167	74,508	3,466	354,141
Charge for the year	12,674	1,794	632	15,100
At 30th November 2001	<u>288,841</u>	<u>76,302</u>	<u>4,098</u>	<u>369,241</u>
NET BOOK VALUE				
At 30th November 2001	<u>47,873</u>	<u>5,383</u>	<u>1,897</u>	<u>55,153</u>
At 30th November 2000	<u>50,697</u>	<u>7,177</u>	<u>2,529</u>	<u>60,403</u>

8. STOCKS

	2001 £	2000 £
Finished goods and parts	<u>549,813</u>	<u>507,040</u>

9. DEBTORS

	2001 £	2000 £
Trade debtors	956,015	961,232
Prepayments and accrued income	5,304	6,071
	<u>961,319</u>	<u>967,303</u>

THE MATADOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 2001

10. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	22,747	83,061
Trade creditors	505,802	311,560
Other creditors including taxation and social security:		
Corporation tax	34,234	54,596
PAYE and social security	15,567	15,219
VAT	25,693	49,188
Other creditors	509,522	608,394
Accruals and deferred income	3,240	4,000
	<u>1,116,805</u>	<u>1,126,018</u>

Other creditors includes amounts due to the debt factoring company. Included in trade debtors (note 9) is a balance of £754,873 under the debt factoring arrangement.

11. COMMITMENTS UNDER OPERATING LEASES

At 30th November 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	2001	2000
	Land & Buildings £	Land & Buildings £
Operating leases which expire:		
Within 1 year	-	22,000
Within 2 to 5 years	28,000	-
	<u>28,000</u>	<u>22,000</u>

THE MATADOR COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2001

12. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
Ordinary shares of £1 each	20,000	20,000
Ordinary Class A shares of £1 each	3	3
	<u>20,003</u>	<u>20,003</u>

Allotted, called up and fully paid:

	2001		2000	
	No.	£	No.	£
Ordinary shares	20,000	20,000	20,000	20,000
Ordinary Class A shares	3	3	3	3
	<u>20,003</u>	<u>20,003</u>	<u>20,003</u>	<u>20,003</u>

The "A" shares carry a right to dividends but have no voting rights. They will rank pari passu with the existing shares in the context of any cessation of trade.

13. RELATED PARTY TRANSACTIONS

Rent in the sum of £15,000 is paid by the company to K D C Ryde Esq in respect of Unit 20, Ballmoor, Buckingham Industrial Park, Buckingham.

The ultimate controlling party of The Matador Company Limited is K D C Ryde Esq, a director and majority shareholder.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	132,290	198,867
Dividends	(91,538)	(185,641)
	<u>40,752</u>	<u>13,226</u>
Opening shareholders' equity funds	409,028	395,802
Closing shareholders' equity funds	<u>449,780</u>	<u>409,028</u>