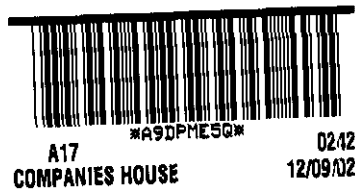


Automotive Distributors Limited

**Directors' report and financial
statements**

Registered number 2231185

30 April 2002



KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9BT

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Directors and advisers

Directors

C D Jeffries – Chairman and Managing Director
M A Hookway – Sales Director
M J Boucher – Purchasing Director
S Nagiri – Non-Executive Director
N D Taylor – Finance Director
Y Haji – Non-Executive Director
D Ambrose – European Business Director

Secretary

N D Taylor

Registered Office

9 Wheelbarrow Park
Pattenden Lane
Marden
Kent
TN12 9QJ

Auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Bank

NatWest PLC
P.O. Box 344
Maidstone
Kent
ME14 1AT

Registered Number

2231185

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2002.

Principal activities

The company's principal activity during the year was the import and distribution of motor components for Japanese and Far Eastern cars within Europe.

Business review

The directors are pleased to report the much improved results for 2001-02 financial year. Sales of £14,860,708 represents a 14% increase over the previous year, split, £12,415,389 from the UK and £2,445,319 from our European business operations. The return to profitability was a vital step and continues.

During 2001-02 the company bought back 50,427 ordinary shares from the TMY Corporation at par value. The company issued new redeemable preference shares to TMY Corporation from capital reserves accumulated. 6,432 ordinary shares held by TMY Corporation were transferred to Mr Y Haji a non-executive director of Automotive Distributors Limited.

Dividend proposed and paid

The directors recommend that no ordinary dividend be paid and that the retained profit of £147,644 be credited to reserves (2001: loss of £95,039).

Preference dividends were paid and proposed in respect of the year to 30 April 2002 as follows:

	£
'B' Cumulative Redeemable	10,106
'C' Cumulative Redeemable	20,511
'D' Cumulative Redeemable	10,059
	<hr/>
	40,676
	<hr/>

Directors and directors' interests

The directors who held office during the year and their beneficial interests in the company's issued share capital were as follows:

	Class of share	Interest at end of year	Interest at start of year or date of appointment
C D Jeffries	Ordinary	34,327	34,827
M A R Hookway	Ordinary	12,758	12,758
M J Boucher	Ordinary	7,993	7,993
N D Taylor	Ordinary	500	-
Y Haji (Appointed 31 August 2001)	Ordinary	6,432	-

Directors' report *(continued)*

Directors and directors' interests *(continued)*

On 1 May 2002 Mr N D Taylor was granted an option to purchase 600 ordinary shares at £12.93 per share.

Mr D Ambrose was appointed to the board of directors on 24 May 2002 as director of European Business Operations.

On 1 May 2002 Mr D Ambrose was granted an option to purchase 400 ordinary shares at £12.93 per share.

Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £4,269.

Movements in share capital

During the year, the company redeemed the following Cumulative Redeemable Preference Shares

	Nominal Value £
71,875 'B' Cumulative Preference Shares of 100 Yen each	31,250
131,875 'C' Cumulative Preference Shares of 100 Yen each	81,484
	<hr/>
	112,734
	<hr/>

The company purchased 50,427 ordinary shares from the TMY Corporation at par value during the year.

Auditors

KPMG were appointed auditors on 12th April 2002. However, since that date their business has transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 11 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


N D Taylor
Secretary

9 Wheelbarrow Park
Pattenden Lane
Marden
Kent
TN12 9QJ

2 August 2002

Statement of 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT
United Kingdom

Independent auditor's report to the members of Automotive Distributors Limited

We have audited the financial statements on pages 6 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG-LLP

KPMG LLP
Chartered Accountants
Registered Auditor

2 August 2002

Profit and loss account
for the year ended 30 April 2002

	Note	2002 £	£	2001 £	£
Turnover	2	14,860,708		12,957,084	
Cost of sales		(9,112,990)		(8,054,867)	
		<hr/>		<hr/>	
Gross profit		5,747,718		4,902,217	
Distribution costs	3	(1,002,180)		(926,872)	
Sales and marketing costs	3	(905,285)		(769,485)	
Employment costs	3	(2,401,706)		(2,117,827)	
Product and development costs		(74,515)		(61,063)	
Depreciation costs		(234,639)		(228,521)	
Finance costs		(93,226)		(70,040)	
Administrative costs		(580,247)		(533,944)	
		<hr/>		<hr/>	
		(5,291,798)		(4,707,752)	
		<hr/>		<hr/>	
Operating profit		455,920		194,465	
Interest receivable		1,085		-	
Interest payable	6	(208,685)		(226,535)	
		<hr/>		<hr/>	
Profit/(loss) on ordinary activities before taxation		248,320		(32,070)	
Tax charge on profit/(loss) on ordinary activities	7	(60,000)		(20,252)	
		<hr/>		<hr/>	
Profit/(loss) for the financial year		188,320		(52,322)	
Dividends paid and proposed	8	(40,676)		(42,717)	
		<hr/>		<hr/>	
Retained profit/(loss) for the year		147,644		(95,039)	
		<hr/>		<hr/>	

The company had no other gains or losses other than the profit for the years stated above, all of which was derived from continuing operations.

No note of historical cost profit and loss is given as there are no differences between the results as set out in the profit and loss account and their historical cost equivalents.

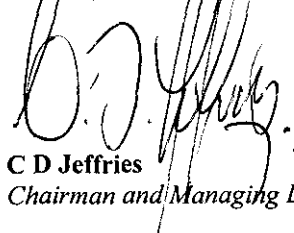
The notes on pages 9 to 20 form part of these financial statements.

Balance sheet
at 30 April 2002

	Note	2002 £	2001 £
Fixed assets			
Intangible assets	9	339,615	377,314
Tangible assets	10	476,388	487,938
		<u>816,003</u>	<u>865,252</u>
Current assets			
Stocks	12	3,732,978	3,310,525
Debtors	13	4,346,871	3,240,320
Cash at bank and in hand		73,221	107,174
		<u>8,153,070</u>	<u>6,658,019</u>
Creditors: amounts falling due within one year	14	(7,509,288)	(6,060,941)
Net current assets		<u>643,782</u>	<u>597,078</u>
Total assets less current liabilities		<u>1,459,785</u>	<u>1,462,330</u>
Creditors: amounts falling due after more than one year	15	(42,895)	(14,481)
Net assets		<u>1,416,890</u>	<u>1,447,849</u>
Capital and reserves			
Called up ordinary share capital	20	64,323	114,750
Non Equity share capital	20	606,388	343,708
Capital Redemption reserves	21	663,037	890,732
Profit and loss account	21	83,142	98,659
Total Shareholders' funds		<u>1,416,890</u>	<u>1,447,849</u>
Analysis of Shareholders' funds			
Equity		810,502	1,104,141
Non-equity		606,388	343,708
		<u>1,416,890</u>	<u>1,447,849</u>

The notes on pages 9 to 20 form part of these financial statements.

These financial statements were approved by the board of directors on the 2nd August 2002 and were signed on its behalf by:



C D Jeffries
Chairman and Managing Director

Cash flow statement
for the year ended 30 April 2002

	<i>Note</i>	2002 £	2001 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		455,920	194,465
Depreciation charges		194,073	219,251
Amortisation charges		37,699	-
Loss on sale of fixed assets		2,866	9,270
(Increase)/decrease in stocks		(422,453)	120,208
Increase in debtors		(1,124,551)	(251,240)
Increase in creditors		763,659	512,811
Unrealised exchange gain on revaluation of preference shares		(13,607)	(17,978)
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(106,394)	786,787
		<hr/>	<hr/>
Cash flow statement			
Cash flow from operating activities		(106,394)	786,787
Returns on investments and servicing of finance	24	(237,636)	(269,252)
Taxation		18,191	(3,750)
Capital expenditure and financial investment	24	(69,821)	304
		<hr/>	<hr/>
Cash (outflow)/inflow before financing		(395,660)	514,089
		<hr/>	<hr/>
Financing	24	(244,560)	(253,911)
		<hr/>	<hr/>
(Decrease)/increase in cash in the period		(640,220)	260,178
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt	25		
		<hr/>	<hr/>
(Decrease)/increase in cash in the period		(640,220)	260,178
		<hr/>	<hr/>
Decrease in loans		79,564	133,349
New finance leases		(115,569)	(17,000)
		<hr/>	<hr/>
(Increase)/decrease in net debt		(676,225)	376,527
Net debt as at 1 May 2001		(1,742,673)	(2,119,200)
		<hr/>	<hr/>
Net debt as at the 30 April 2002		(2,418,898)	(1,742,673)
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below. The company has adopted Financial Reporting Standard 18 'Accounting policies' and Financial Reporting Standard 19 'Deferred tax' in these financial statements.

Basis of preparation

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

The financial statements present information regarding the parent undertaking only. The company is exempt from preparing consolidated accounts as the group headed by the company qualifies as a medium sized group under section 248 of the Companies Act 1985.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 10 years. In the opinion of the directors this reflects the period in which positive benefits can be accurately foreseen, from the acquisition of Pacific Autoparts NV.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	over the lease term
Plant and machinery	-	25% straight line
Motor vehicles	-	33% reducing balance
Office equipment	-	12.5% to 25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	20% to 50% straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a sum of the digits basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of goods purchased for resale, the weighted average purchase price is used.

Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

2 Turnover

The whole of the turnover and profit before taxation for the year is attributable to the continuing activity distribution of motor components. The geographical split of turnover is detailed below:

	2002 £	2001 £
UK	12,415,389	11,486,084
Rest of Europe	2,445,319	1,471,000
	<hr/>	<hr/>
	14,860,708	12,957,084
	<hr/>	<hr/>

Notes (continued)

3 Operating profit

	2002 £	2001 £
<i>The operating profit is stated after charging:</i>		
Depreciation of tangible fixed assets:		
- owned assets	164,872	199,083
- assets held under finance leases and hire purchase	29,201	20,168
Loss on disposal of fixed assets	2,866	9,270
Exchange losses	19,313	35,906
Auditor's remuneration:		
- audit	15,321	14,232
- non audit services	4,000	6,420
Operating lease rentals:		
- land and buildings	380,332	377,500
- equipment	93	-
	<u> </u>	<u> </u>

4 Directors and employees

	2002 £	2001 £
<i>Staff costs, including directors' remuneration, were as follows:</i>		
Wages and salaries	1,979,203	1,707,241
Social security costs	195,245	178,435
Other pension costs	195,969	222,563
	<u> </u>	<u> </u>
	2,370,417	2,108,239
	<u> </u>	<u> </u>

The average monthly number of employees, including directors, during the year was as follows:

	2002 Number	2001 Number
Administration	53	50
Distribution	29	26
	<u> </u>	<u> </u>
	82	76
	<u> </u>	<u> </u>

Notes (continued)

5 Directors' remuneration

	2002 £	2001 £
Aggregate emoluments	500,046	451,773
Pension contributions	128,267	137,709
	<u>628,313</u>	<u>589,482</u>

Highest paid director

	2002 £	2001 £
Aggregate emoluments	201,085	175,350
Pension scheme contributions	56,438	66,750
	<u>257,523</u>	<u>242,100</u>

Retirement benefits were accruing to directors under schemes as follows:

	Number	Number
Defined contribution pension scheme	4	4
	<u>4</u>	<u>4</u>

6 Interest payable and similar charges

	2002 £	2001 £
Interest payable on bank loans and overdrafts	117,358	149,090
Interest payable on deferred payments for shipped goods	83,799	70,419
Finance leases and hire purchase contracts	7,528	7,026
	<u>208,685</u>	<u>226,535</u>

7 Taxation

	2002 £	2001 £
Current tax on income for the year	60,000	-
Adjustments in respect of prior periods	-	20,252
	<u>60,000</u>	<u>20,252</u>

Notes (continued)

7 Taxation (continued)

The current tax charge for the year is 4% higher than the standard small company corporation tax rate in the UK of 20%. The differences are explained below:

	2002	2001
	£	£
<i>Current tax reconciliation</i>		
Profit/ (loss) on ordinary activities before tax	248,320	(32,070)
Current tax at 20%	49,664	-
<i>Effects of:</i>		
Expenses not deductible for tax purposes	10,071	-
Depreciation for period in excess of capital allowances	265	-
Adjustments to tax charge in respect of previous periods	-	20,252
Total current tax charge (see above)	60,000	20,252

8 Dividends

	2002	2001
	£	£
Non equity dividends		
'B' redeemable preference shares - non-equity	10,106	13,744
'C' redeemable preference shares - non-equity	20,511	28,973
'D' redeemable preference shares - non-equity	10,059	-
Total non equity dividends paid and proposed	40,676	42,717

9 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At beginning and end of year	377,314
<i>Amortisation</i>	
At beginning of year	-
Charge for year	37,699
At end of year	37,699
<i>Net book value</i>	
At 30 April 2002	339,615
At 30 April 2001	377,314

Notes (continued)

10 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Furniture and equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost							
At beginning of year	38,192	235,306	173,765	265,630	401,564	553,587	1,668,044
Additions	4,795	52,518	69,212	8,296	45,214	43,089	223,124
Disposals	-	(3,445)	(72,753)	(3,901)	(12,732)	(99,952)	(192,783)
At end of year	42,987	284,379	170,224	270,025	434,046	496,724	1,698,385
Depreciation							
At beginning of year	38,192	175,100	53,926	168,738	307,370	436,780	1,180,106
Charge for year	330	16,764	45,866	31,483	35,907	63,723	194,073
On disposals	-	(3,103)	(32,506)	(3,901)	(12,721)	(99,951)	(152,182)
At end of year	38,522	188,761	67,286	196,320	330,556	400,552	1,221,997
Net book value							
At 30 April 2002	4,465	95,618	102,938	73,705	103,490	96,172	476,388
At 30 April 2001	-	60,206	119,839	96,892	94,194	116,807	487,938

Assets held under finance leases and hire purchase at original cost £263,724 (2001: £156,194) and have a net book value of £109,986 (2001: £56,647). Depreciation charged for the year was £29,201 (2001: £20,168).

11 Investments in subsidiaries

Pacific Autoparts NV is a 100% owned, dormant subsidiary of Automotive Distributors Limited. Pacific Autoparts NV's only commitment outstanding is a lease agreement with AIA Holding bvba which has a break option. The break clause has been exercised and the lease will terminate on 30 December 2002.

Pacific Autoparts NV made a pre-tax loss of £482 for the year ended 30 April 2002 and had net liabilities of £3,717 at the end of the year.

Investment and debt outstanding in Pacific Autoparts NV has been written off as irrecoverable in previous years.

Notes (continued)

12 Stocks

	2002 £	2001 £
Goods held for resale	3,732,978	3,310,525

13 Debtors

	2002 £	2001 £
Trade debtors	3,908,425	2,745,854
Amounts owed by group undertakings	-	5,046
Other debtors	104,839	192,676
Prepayments and accrued income	333,607	278,744
Corporation tax recoverable	-	18,000
	<u>4,346,871</u>	<u>3,240,320</u>

14 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	2,404,300	1,798,033
Obligations under finance leases and hire purchase contracts (see note 17)	44,924	37,333
Trade creditors	4,222,255	3,733,988
Corporation tax	60,191	-
Taxation and social security	170,780	161,296
Proposed preference dividend	16,372	5,733
Accruals and deferred income	590,466	324,558
	<u>7,509,288</u>	<u>6,060,941</u>

The finance leases and hire purchase contracts are secured on the assets concerned.

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

Notes (continued)

15 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Obligations under finance leases and hire purchase contracts	42,895	14,481

16 Analysis of borrowings

	2002 £	2001 £
Bank overdrafts	2,404,300	1,798,033
Obligations under hire purchase and finance lease	87,819	51,814
	<u>2,492,119</u>	<u>1,849,847</u>

17 Obligations under hire purchase and finance leases

	2002 £	2001 £
Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
In the next year	44,924	37,333
In the second to fifth years inclusive	42,895	14,481
	<u>87,819</u>	<u>51,814</u>

18 Group company guarantees

The Company's commitment, in relation to Pacific Autoparts NV, is limited to one year's rental which has a current value of Euro 35,639 (2001: BEF 1,437,689). There is a break clause on the 31 December 2002.

19 Deferred taxation

It is the company's policy not to provide for deferred tax assets until it is certain that sufficient future profits will be generated from which to deduct the balance.

	2002 £	2001 £
Difference between accumulated depreciation and amortisation and capital allowances	16,027	16,725

Notes (continued)

20 Called up share capital

	2002 £	2001 £
Authorised		
Equity: 114,750 Ordinary shares of £1 each	114,750	114,750
Non-equity: 659,750 'A' redeemable preference shares of £1 each	659,750	659,750
310,000 'Y' redeemable preference shares of 100 JPY each	183,432	183,432
575,000 'B' cumulative preference shares of 100 JPY each	340,237	340,237
1,055,000 'C' cumulative preference shares of 100 JPY each	624,260	624,260
684,000 'D' cumulative preference share of 100 JPY each	380,000	-
	<u>2,302,429</u>	<u>1,922,429</u>
Allotted, called up and fully paid		
Equity: 64,323 Ordinary shares of £1 each	64,323	114,750
Non-equity: 143,750 'B' cumulative preference shares of 100 JPY each	79,861	121,247
263,750 'C' cumulative preference shares of 100 JPY each	146,528	222,461
684,000 'D' cumulative preference shares of 100 JPY each	380,000	-
	<u>670,712</u>	<u>458,458</u>

Non-equity shares - rights

- 1) Redemption - The remaining 'B' and 'C' redeemable preference shares are to be redeemed in 2 equal instalments on 30 April 2003 and 30 April 2004.
- The 'D' redeemable preference shares are to be redeemed in 5 equal instalments commencing 30 October 2002 and ending 30 October 2006.
- 2) Dividends - 'B' @ 7.5% p.a. payable on a six monthly basis.
- 'C' @ 7.5% p.a. payable on a six monthly basis.
- 'D' @ 5.0% p.a. payable on 31 October each year.

21 Reserves

	Capital Redemption reserve £	Profit and loss account £
At beginning of year	890,732	98,659
Bonus issue of 684,000 'D' class redeemable preference shares of JPY 100 nominal value issued to TMY Corporation (at JPY 175/£)	(390,856)	-
Retained profit for the year	-	147,644
Transfer in respect of redemption of 'B' and 'C' class redeemable preference shares	163,161	(163,161)
At end of year	<u>663,037</u>	<u>83,142</u>

Notes (continued)

22 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2002 Land and buildings £	2001 Land and buildings £
Operating leases which expire: Over five years	388,829	377,500

The company's lease of land and buildings are subject to rent review every 5 years.

23 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £195,969 (2001:£222,563).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

24 Analysis of cash flows

	2002 £	2001 £
Returns on investment and servicing of finance		
Interest received	1,086	-
Interest paid	(201,157)	(219,509)
Preference dividend paid	(30,037)	(42,717)
Interest element of finance lease rentals payment	(7,528)	(7,026)
	<u>(237,636)</u>	<u>(269,252)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(107,555)	(131,742)
Proceeds from the sale of tangible fixed assets	37,734	132,046
	<u>(69,821)</u>	<u>304</u>
Financing		
Redemption of preference shares and ordinary shares	(164,996)	(120,562)
Capital element of finance lease rentals payments	(79,564)	(133,349)
	<u>(244,560)</u>	<u>(253,911)</u>

Notes (continued)

25 Analysis of net debt

	At beginning of year £	Cash flow £	Other non cash changes £	At end of year £
Cash in hand, at bank	107,174	(33,953)	-	73,221
Overdrafts	(1,798,033)	(606,267)	-	(2,404,300)
	<hr/>	<hr/>	<hr/>	<hr/>
Finance leases	(1,690,859)	(640,220)	-	(2,331,079)
	(51,814)	79,564	(115,569)	(87,819)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(1,742,673)	(560,656)	(115,569)	(2,418,898)
	<hr/>	<hr/>	<hr/>	<hr/>

26 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Profit/(loss) for the financial year	188,320	(52,322)
Dividends	(40,676)	(42,717)
	<hr/>	<hr/>
Transfers to reserves	147,644	(95,039)
Revaluation of preference shares	(163,161)	(120,562)
	(15,442)	(17,978)
	<hr/>	<hr/>
Increase/(decrease) in shareholders' funds	(30,959)	(233,579)
Opening shareholders' funds	1,447,849	1,681,428
	<hr/>	<hr/>
Closing shareholders' funds	1,416,890	1,447,849
	<hr/>	<hr/>

27 Related party disclosures

TMV Corporation ordinary share capital was sold in October 2001. Automotive Distributors Limited purchased 50,427 ordinary shares and Mr Y Haji acquired 6,432 ordinary shares.

TMV Corporation are the holders of all the redeemable preference shares in Automotive Distributors Limited. During the year Automotive Distributors Limited had the following transactions with the TMV Corporation. All transactions are on an arms length basis.

Earnings – Commission received and Advertising Support - £100,865
Purchases – £6,735,949
TMV interest charges - £83,799
Preference Dividends paid and proposed - £40,676
Preference share redemption - £112,734
Ordinary share buy back - £50,427
Preference share issue - £398,682

28 Foreign Currency Hedging

Automotive Distributors Limited have entered into forward exchange contracts to meets its obligations and minimise its exchange risk. At the Balance Sheet date Automotive Distributors Limited have contracts detailed below:-

Currency	Currency value	2002 £	2001 £
Japanese Yen	JPY 564,348,972	3,169,626	3,547,412
US Dollars	USD 457,287	323,321	133,900

29 Post Balance Sheet Event

Automotive Distributors Limited has granted share options under its Enterprise Management Incentive Scheme. Details of share options granted to directors are disclosed in the directors report.