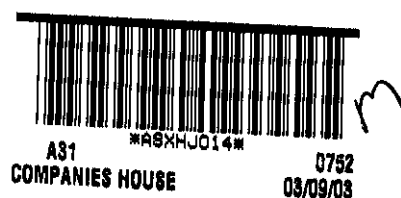


Tozer Kemsley and Millbourn Automotive Limited
(Registered Number: 893104)

Annual Report and Accounts

For the year ended 31 December 2002



Suite 3, Rushmoor Court
Croxley Business Park
Hatters Lane
Watford
Hertfordshire WD18 8PY

Tozer Kemsley and Millbourn Automotive Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The principal activity of the Company is that of an intermediate holding company. There were no discontinued activities.

Review of business and future developments

It is not envisaged that there will be any change in the Company's activities in the foreseeable future.

Results and dividends

The Company's profit for the financial year is £12,889,000 (2001: £1,283,000 profit). There were no dividends paid throughout the year (2001: nil), and the directors do not recommend the payment of a final dividend (2001: nil).

Directors and their interests

The directors who held office during the year were as follows:

D S Green
M P Wheatley

No director had any interest in the shares of the Company (or any of its subsidiaries or intermediate parent undertaking) at either 1 January 2002 or 31 December 2002.

The table below shows the beneficial interests, other than share options, including family interests, on the dates indicated, in the ordinary shares of 150p each of Inchcape plc, the ultimate parent undertaking, of the persons who were Directors at 31 December 2002.

	Ordinary shares of 150p each	
	31 December 2002	1 January 2002
D Green	292	54

Tozer Kemsley and Millbourn Automotive Limited

Directors' Report (continued)

Directors' share options

Details of share options held by Directors, including under the Inchcape 1999 Share Option Plan and the Inchcape SAYE Share Option Scheme are shown below:

	Held at 31.12.02	Granted during the year	Exercised during the year	Held at 1.1.02	Exercise price (c)	When exercisable
D Green	-	-	238 (b)	238 (b)	£3.25	Dec 2002 - Jun 2003
	488 (b)	-	-	488 (b)	£2.38	Nov 2003 - May 2004
	251 (b)	-	-	251 (b)	£3.08	Jun 2004 - Dec 2004
	205 (b)	205 (b)	-	-	£5.54	Jun 2005 - Dec 2005
M Wheatley	-	-	2,577 (a)	2,577 (a)	£3.88	Sept 2002 - Sept 2009
	7,042 (a)	-	-	7,042 (a)	£2.84	Aug 2003 - Aug 2010
	5,208 (a)	-	-	5,208 (a)	£3.84	Mar 2004 - Mar 2011
	2,919 (a)	2,919 (a)	-	-	£6.85	Mar 2005 - Mar 2012
	1,371 (b)	1,371 (b)	-	-	£5.54	Jun 2005 - Dec 2005

(a) Under the Inchcape 1999 Share Option Plan.

(b) Under the Inchcape SAYE Share Option Scheme.

(c) Exercise prices are determined in accordance with the Rules of the relevant share option scheme.

Notes on share options

- (i) All options were granted for nil consideration.
- (ii) The table shows Directors' options over ordinary shares of 150p of Inchcape plc at 1 January 2002 and 31 December 2002. The mid-market price of the shares at 31 December 2002 was 714.25p. The price range during 2002 was 593.5p to 876.5p.
- (iii) Options under the Inchcape 1999 Share Option Plan are granted on a discretionary basis to full time certain other senior executives based within and outside the UK including the Executive Directors of Inchcape plc. Such options are normally exercisable between three and ten years of grant.
- (iv) Options may normally be exercised only if the performance target has been met. For all options granted under the Inchcape 1999 Share Option Plan, growth in Inchcape plc's, the ultimate parent undertaking, earnings per share over a three year period must exceed the increase on the UK Retail Price Index over the same period by 3% per annum.
- (v) The Inchcape SAYE Share Option Scheme is open to employees in the UK with at least three months' service. Participants make monthly savings for a three-year period. At the end of the savings period options become exercisable within a six-month period.
- (vi) No options were cancelled or waived during the year.

Tozer Kemsley and Millbourn Automotive Limited

Directors' Report (continued)


Transactions with Directors

No transaction, arrangement or agreement required to be disclosed in terms of Companies Act 1985 was outstanding at 31 December 2002, or occurred during the year for any Director (2001: nil).

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 27 February 2003 and, Inchcape plc, the ultimate parent undertaking's Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the next Annual General Meeting.

By order of the Board


M Wheatley
Secretary
Date: 5 August 2003

Tozer Kemsley and Millbourn Automotive Limited

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 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.

Tozer Kemsley and Millbourn Automotive Limited

Report of the Independent Auditors to the Members of Tozer Kemsley and Millbourn Automotive Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report, and the statement of directors' responsibilities.

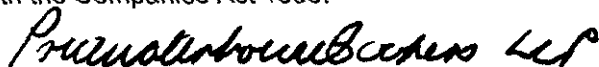
Basis of audit opinion

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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date 06/08/2003

Tozer Kemsley and Millbourn Automotive Limited

Profit and Loss Account for the Year Ended 31 December 2002

	Note	2002 £'000	2001 £'000
Administrative income/(expenses)		1,853	(1,511)
Operating profit/(loss)	2	1,853	(1,511)
Income from shares in group undertakings		11,036	2,790
Profit on ordinary activities before interest and taxation		12,889	1,279
Interest receivable and similar income		-	5
Profit on ordinary activities before taxation		12,889	1,284
Taxation	4	-	(1)
Retained profit for the financial year	8	12,889	1,283

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

There were no discontinued operations in the current year.

All the activities of the Company are continuing.

Tozer Kemsley and Millbourn Automotive Limited

Balance Sheet at 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Investments	5	80,589	78,736
Current assets			
Cash at bank		106	-
Creditors – Amounts falling due within one year	6	(47,245)	(58,175)
Net current liabilities		(47,139)	(58,175)
Net assets		33,450	20,561
Capital and reserves			
Called up share capital	7	13,775	13,775
Share premium account	8	78,234	78,234
Profit and loss account	8	(58,559)	(71,448)
Equity shareholders' funds	9	33,450	20,561

The financial statements on pages 6 to 12 were approved by the Board of directors on the 5th day of August 2003 and were signed on its behalf by:



Director

Tozer Kemsley and Millbourn Automotive Limited

Notes to the Accounts For the Year Ended 31 December 2002

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies of the company are described below.

Accounting convention

The financial statements are prepared under the historical cost basis, and in accordance with the Companies Act 1985.

Group accounts

In accordance with the exemption permitted by Section 228 of the Companies Act 1985 no group accounts have been prepared.

Fixed Asset Investments

Fixed Asset Investments are stated at cost, less provision for impairment in value.

Changes in accounting policies

Financial Reporting Standard 19 "Deferred Tax" has been adopted in these financial statements. This has not required any restatement of prior year comparatives, as there was no financial impact.

2 Operating loss

	2002 £'000	2001 £'000
Operating loss is stated after crediting/(charging):		
Write back of Provision re impairment of investments	1,853	(1,511)

As in 2001, auditors' remuneration has been borne by a fellow subsidiary undertaking on behalf of the Company.

3 Directors' emoluments and employee information

The Company has no employees except the directors and hence has no salary, social security or pension costs. As in 2001, remuneration to the Company's directors for services to the company is paid for and borne by other group companies.

Tozer Kemsley and Millbourn Automotive Limited

Notes to the Accounts For the Year Ended 31 December 2002

4 Taxation

a) Analysis of tax charge in the period

The taxation charge is made up as follows:

	2002 £'000	2001 £'000
Current tax:		
UK Corporation Tax at 30% (2001 – 30%):	3,867	1,399
Double tax relief	(3,867)	(1,398)
Tax on profit on ordinary activities	-	1

The adoption of FRS 19 has resulted in an increase of £nil in the tax charge to 31 December 2002 (2001-£nil increase).

b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	12,889	1,284
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2001:30%)	3,867	385
Effects of:		
Expenses not deductible for tax purposes	-	453
Non taxable income	(3,867)	(837)
Current tax charge for the period	-	1

Tozer Kemsley and Millbourn Automotive Limited

Notes to the Accounts For the Year Ended 31 December 2002

5 Fixed asset investments

	Investment in subsidiary undertakings £'000	Investment in quoted company £'000	Total £'000
Cost			
At 1 January 2002 and 31 December 2002	110,535	2,997	113,532
Amounts provided for			
At 1 January 2002	(32,296)	(2,500)	(34,796)
Released in the year	1,853	-	1,853
At 1 31 December 2002	(30,443)	(2,500)	(32,943)
Net book value			
At 31 December 2001 and December 2002	80,092	497	80,589

In the opinion of the directors of the Company the aggregate market value of the shares in and the amounts owing from the Company's subsidiaries is not less than the amount as shown in the balance sheet.

The Company owns 378,788 shares in Auto-By-Tel Corporation, a company listed on NASDAQ. The market value at 31 December 2002 was £659,091 (2001 - £446,243). The surplus provision has not been released on the grounds that this is not deemed to be a permanent increase.

Shares in subsidiaries and quoted investments are stated at cost less provision for impairments. A list of subsidiary undertakings, their country of incorporation, proportion of the nominal value of shares held and principle activity is given below:

	Country of Incorporation or registration	Proportion of nominal value of share held	Principal activity
Subsidiary undertakings			
Almangel SA	Columbia	94%	Dormant
Deepsoval Services Limited	UK	100%	Dormant (in liquidation)
Inchcape Motors (Australia) Limited	Australia	98%	Motors import and distribution
Inchcape Motors (Switzerland) SA	Switzerland	100%	Dormant
Nexus Corporation Limited	UK	100%	Investment holding
Tozer Kemsley & Millbourn Finland Oy	Finland	100%	Motors import and distribution
Tozer International Holdings Limited	UK	100%	Investment holding

Tozer Kemsley and Millbourn Automotive Limited

Notes to the Accounts For the Year Ended 31 December 2002

6 Creditors - Amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to group undertakings	47,245	58,139
Corporation tax	-	1
Bank loans and overdrafts	-	35
	47,245	58,175

7 Called up share capital

	2002 £'000	2001 £'000
Authorised		
20,000,000 ordinary shares of £1 each	20,000	20,000
Allotted, called up and fully paid		
13,775,000 ordinary shares of £1 each	13,775	13,775

8 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2002	78,234	(71,448)
Retained profit for the financial year	-	12,889
As at 31 December 2002	78,234	(58,559)

9 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
Profit for the financial year	12,889	1,283
Net increase in shareholders' funds	12,889	1,283
Opening shareholders' funds	20,561	19,278
Closing shareholders' funds	33,450	20,561

Tozer Kemsley and Millbourn Automotive Limited

Notes to the Accounts For the Year Ended 31 December 2002

10 Contingent liabilities

The company is party to composite cross guarantees between banks, its ultimate parent undertaking and fellow subsidiaries. The company's contingent liability under these guarantees at 31 December 2002 was £106,096.93 (2001: £nil).

11 Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate holding company, has complied with Financial Reporting Standard 1 (revised) by including a consolidated cash flow statement in its Report and Accounts for the year ended 31 December 2002.

12 Related party transactions

The Company's ultimate parent undertaking is Inchcape plc and it has applied the exemption in paragraph 3(c) of Financial Reporting Standard 8 ("FRS 8") "Related Party Disclosures". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances that are required to be disclosed by FRS 8.

13 Immediate and ultimate parent undertakings

The immediate parent undertaking is Inchcape Motors International Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is Inchcape plc, a public company incorporated in England and Wales. Copies of Inchcape plc's consolidated financial statements may be obtained from the Secretary at the Company's registered office, 22a St James's Square, London SW1Y 5LP. The parent undertaking, which heads the smallest and largest groups for which consolidated financial statements are prepared is Inchcape plc.