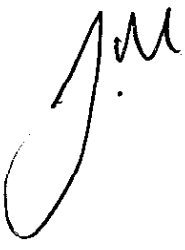
Company Registration No. 080731

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Abbreviated accounts for
the year ended 30 November 1998

Steering Rack Services Limited





Steering Rack Services Limited

Auditors' Report to Steering Rack Services Limited Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of the company for the year ended 30 November 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

Other information

On 22 October 1999 we reported, as auditors of Steering Rack Services Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1998, and our report included the following paragraph:

"We have audited the financial statements on pages 4 to 11 which have been prepared following the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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.

Auditors' Report to Steering Rack Services Limited Cont.
Under section 247B of the Companies Act 1985

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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. However, the evidence available to us was limited because we were appointed auditors on 28 May 1998 and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock, appearing in the balance sheet at 30 November 1997 at £152,199.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements .

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock at 30 November 1997, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to stock:
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained."



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
90 St Vincent Street
Glasgow
G2 5UB

22 October 1999

Steering Rack Services Limited

Abbreviated balance sheet
As at 30 November 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	3		89,622		50,245
Current assets					
Stocks		167,897		152,199	
Debtors		187,286		199,960	
Cash at bank and in hand		3,430		3,000	
		358,613		355,159	
Creditors: amounts falling due within one year		(343,816)		(324,052)	
Net current assets			14,797		31,107
Total assets less current liabilities			104,419		81,352
Creditors: amounts falling due after more than one year			(29,032)		(11,317)
			75,387		70,035
Capital and reserves					
Called up share capital	4		100		100
Profit and loss account			75,287		69,935
Shareholders' funds			75,387		70,035

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 22 October 1999
and signed on its behalf by

Paul McKenna.

P McKenna
Director

Notes to the abbreviated accounts
For the year ended 30 November 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods to customers.

1.3 Tangible fixed assets and depreciation

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

Property improvements	10% p.a.straight line
Plant and machinery	15% p.a. straight line
Motor vehicles	25% p.a. reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis over the term of the contract.

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

1.5 Stock

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

1.6 Pensions

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.7 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.

1.8 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.

Notes to the abbreviated accounts
For the year ended 30 November 1998

2 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 1998 £	Amount outstanding 1997 £	Maximum in year £
Director's current account - Mrs M McKenna	11,129	11,129	11,129
Director's current account - Ms N McKenna	4,800	-	6,000

3 Fixed assets

	Tangible assets £
Cost	
At 1 December 1997	99,865
Additions	77,768
Disposals	(41,270)
At 30 November 1998	136,363
Depreciation	
At 1 December 1997	49,620
On disposals	(23,711)
Charge for the year	20,832
At 30 November 1998	46,741
Net book value	
At 30 November 1998	89,622
At 30 November 1997	50,245

4 Share capital

	1998 £	1997 £
Authorised		
100 Ordinary Shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £ 1 each	100	100