We hereby certify that the attached Accounts are a true copy of the Accounts presented to the Members at the Annual General Meeting.

REGISTERED NUMBER:
2646099
England and Wales

Director Secretary

STEERING DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

Newman & Partners
Chartered Accountants
and Registered Auditor
Lynwood House
373/375 Station Road
Harrow, Middlesex HA1 2AW

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A06 0213
COMPANIES HOUSE 07/01/00

AUDITORS' REPORT TO STEERING DEVELOPMENTS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the full statutory accounts of the company for the year ended 31st March 1999 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 accounts, 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 full statutory 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 2 to 5 are properly prepared in accordance with those provisions.

Newman & Partners

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Newman & Partners
Chartered Accountants
and Registered Auditor
Lynwood House
373/375 Station Road
Harrow, Middlesex HA1 2AW

Date: 24/12/1999

STEERING DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 1999

	Note	1999 £	1999 £	1998 £	1998 £
FIXED ASSETS					
Intangible assets	2		49,048		54,385
Tangible assets	2		15,994		22,587
			65,042		76,972
CURRENT ASSETS					
Stock		41,609		40,639	
Debtors		302,510		245,042	
Cash at bank and in hand		648		22,900	
		344,767		308,581	
CREDITORS: amounts falling due within one year	3	445,642		342,978	
NET CURRENT (LIABILITIES)			(100,875)		(34,397)
CREDITORS: amounts falling due after more than one year	3		-		(11,121)
			(35,833)		31,454
CAPITAL AND RESERVES					
Called up share capital	4		16,578		16,578
Profit and loss account			(52,411)		14,876
SHAREHOLDERS' FUNDS			(35,833)		31,454

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

P.J.Roake Esq.
Director

Approved by the board: 23/12/1999

STEERING DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

1. ACCOUNTING POLICIES

a) Basis of accounting
The accounts have been prepared under the historical cost convention.

b) Going concern
The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the forseeable future.

The validity of this assumption depends on the continued support of the creditors.

If the company was unable to continue in operational existence for the forseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify fixed assets as current assets.

c) *Tangible fixed assets*
Tangible fixed assets are depreciated at annual rates to write off the cost or valuation of the assets less their expected residual value over their estimated useful lives using the following rates and method:-

Plant and machinery	9% and 12.5%	straight line
Fixtures and fittings	9% and 12.5%	straight line
Motor vehicles	25%	straight line

d) Goodwill
Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being written off in equal instalments over its estimated economic useful life of 10 years.

e) Stock
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f) Deferred taxation
Provision is made at appropriate rates for deferred taxation in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

g) Turnover
Turnover during the year represents the invoiced amount of goods sold and services provided exclusive of value added tax.

h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

i) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

j) Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard Number 1 'Cash flow statements'(revised 1996).

k) Research and development

Expenditure on research and development is written off in the year in which it is incurred except that development expenditure incurred is carried forward when its future recoverability can reasonably be assured. Any expenditure carried forward is amortised over three years in line with the expected future sales from the project.

2. FIXED ASSETS

	Intangible assets	Tangible fixed assets	Total
	£	£	£
Cost			
As at 1st April 1998	340,487	67,743	408,230
Additions	31,300	9,951	41,251
As at 31st March 1999	371,787	77,694	449,481
Depreciation			
As at 1st April 1998	286,102	45,156	331,258
Charge for the year	36,637	16,544	53,181
As at 31st March 1999	322,739	61,700	384,439
Net book value			
As at 31st March 1999	49,048	15,994	65,042
As at 31st March 1998	54,385	22,587	76,972

3. CREDITORS

Security has been given by the company to secure £64,646 (1997: £31,958) of the amount shown under creditors.

4. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised		
18,000 Ordinary shares of £1 each	18,000	18,000
	£	£
Allotted, called up and fully paid		
16,578 Ordinary shares of £1 each	16,578	16,578

5. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Steering Developments Group Limited.