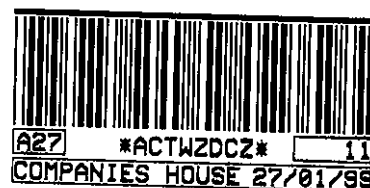


ABBREVIATED ACCOUNTS

Sheba Cars Limited

30 June 1998



Registered in England : Number 2765351

Hurst Morrison Thomson

Chartered Accountants

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

**REPORT OF THE AUDITORS
to Sheba Cars Limited
under Section 247b of the Companies Act 1985**

Tel: 07000-789753
Fax: 07000-789752
Email: HMT.office@BTInternet.com
Direct Line:

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 June 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

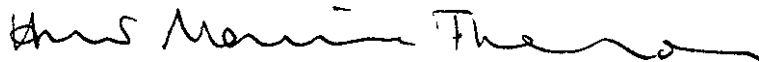
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (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.



Chartered Accountants
Registered Auditor
Henley On Thames

25th January, 1999.

Sheba Cars Limited

ABBREVIATED BALANCE SHEET at 30 June 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	2	39,183	33,936
CURRENT ASSETS			
Debtors		58,299	47,977
Cash at bank and in hand		27,022	15,532
		85,321	63,509
CREDITORS: amounts falling due within one year	3	(81,859)	(69,503)
NET CURRENT ASSETS/(LIABILITIES)		3,462	(5,994)
TOTAL ASSETS LESS CURRENT LIABILITIES		42,645	27,942
CREDITORS: amounts falling due after more than one year	3	(9,931)	(8,125)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		(2,350)	(925)
		£30,364	£18,892
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account		30,362	18,890
SHAREHOLDERS' FUNDS		£30,364	£18,892

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

In the preparation of the company's annual accounts, the directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the Board on



22nd January, 1999.

)
Directors
)



NOTES TO THE ABBREVIATED ACCOUNTS
at 30 June 1998

1 ACCOUNTING POLICIES

The principal accounting policies of the company have remained unchanged from the previous year and are set out below:

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less estimated residual value, over its expected useful life, as follows:

Motor vehicles	over 4 years
Office equipment	over 5 years

Deferred taxation

Deferred taxation is provided on the liability method using the tax rates estimated to arise when the timing difference reverse and is accounted for to the extent that it is possible that a liability will crystallise.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis. It is not considered that this method gives rise to a materially different charge to that based on a constant proportion of the balance of capital repayments outstanding.

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

Pensions

The company operates a defined contribution scheme for eligible employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE ABBREVIATED ACCOUNTS
at 30 June 1998

2 TANGIBLE FIXED ASSETS

	<i>Total £</i>
Cost	
At 1 July 1997	41,744
Additions	29,554
Disposals	(14,795)
At 30 June 1998	<u>£56,503</u>
Depreciation	
At 1 July 1997	7,808
Provided in the year	12,285
Disposals	(2,773)
At 30 June 1998	<u>£17,320</u>
Net book value	
At 30 June 1998	<u>£39,183</u>
At 30 June 1997	<u>£33,936</u>

3 CREDITORS

Included in creditors are obligations under finance leases and hire purchase contracts of £17,014 (1997: £11,875) which are secured over the assets they were used to finance.

4 SHARE CAPITAL

	<i>1998 No.</i>	<i>Authorised 1997 No.</i>	<i>1998</i>	<i>Allotted, called up and fully paid 1997</i>
Ordinary shares of £1 each	1,000	1,000	£2	£2