

SHORTS ENVIRONMENTAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999



SHORTS ENVIRONMENTAL LIMITED

COMPANY INFORMATION

Director	J D R Fothergill
Secretary	D J Humphreys
Company number	3361126
Registered office	15 Kings Gate Bradford Business Park Bradford BD1 4SJ
Auditors	H L B Kidsons Barclays House 41 Park Cross Street Leeds West Yorkshire LS1 2QH

SHORTS ENVIRONMENTAL LIMITED

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SHORTS ENVIRONMENTAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The director presents his report and financial statements for the year ended 31 December 1999.

Principal activities

The company has not traded since incorporation.

Director

The following director has held office since 1 January 1999:

J D R Fothergill

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary Shares of £ 1 each	
	31 December 1999	1 January 1999
J D R Fothergill	-	-

J D R Fothergill is a director of the ultimate parent company, Read Holdings Limited, and has certain beneficial interests in the shares of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that H L B Kidsons be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



D J Humphreys

Secretary

23 June 2000

SHORTS ENVIRONMENTAL LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHORTS ENVIRONMENTAL LIMITED

We have audited the financial statements on pages 3 to 4 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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.

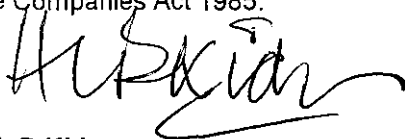
Basis of opinion

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 director 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 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



H L B Kidsons

23 June 2000

**Chartered Accountants
Registered Auditor**

Barclays House
41 Park Cross Street
Leeds
West Yorkshire
LS1 2QH

SHORTS ENVIRONMENTAL LIMITED

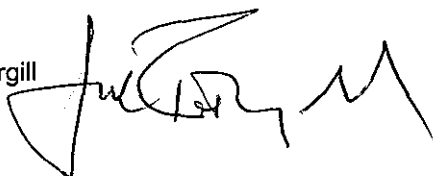
BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	1998 £
Current assets			
Cash at bank and in hand		1	1
Total assets less current liabilities		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	2	<u>1</u>	<u>1</u>
Shareholders' funds - equity interests	3	<u>1</u>	<u>1</u>

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

The financial statements were approved by the Board on 23 June 2000.

J D R Fothergill
Director



SHORTS ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

2 Share capital

Authorised

1,000 Ordinary Shares of £ 1 each

1999

£

1,000

1998

£

1,000

Allotted, called up and fully paid

1 Ordinary Shares of £ 1 each

1

1

3 Reconciliation of movements in shareholders' funds

1999

£

1998

£

Loss for the financial year

-

-

Opening shareholders' funds

1

1

Closing shareholders' funds

1

1

4 Control

The ultimate parent company is Read Holdings Limited, a company registered in England and Wales. Read Holdings Limited prepares group financial statements and copies can be obtained from Cleveland House, Norton Road, Stockton-on-Tees, Cleveland TS20 2AQ.