

Registered no. 2931062

SURGICAL VISION LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000



**ERNEST FRANCIS
CHARTERED ACCOUNTANTS
OSWALD HOUSE
24 - 26 QUEENS ROAD
READING**

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AUDITORS' REPORT TO SURGICAL VISION LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Surgical Vision Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 June 2000.

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 are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report does 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 in accordance with Sections 246(5) and (6), and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

Ernest Francis

Ernest Francis
Registered Auditors

Date: 17 December 2000

Chartered Accountants
Oswald House
24 - 26 Queens Road
Reading

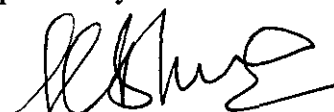
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ABBREVIATED BALANCE SHEET AT 30 JUNE 2000

	Note	2000 £	1999 £
FIXED ASSETS	2		
Tangible assets		14,393	24,350
CURRENT ASSETS			
Debtors		2,922	135,184
Cash at bank and in hand		63,635	183,361
		<u>66,557</u>	<u>318,545</u>
CREDITORS			
Amounts falling due within one year		<u>61,747</u>	<u>100,225</u>
NET CURRENT ASSETS		4,810	218,320
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,203</u>	<u>242,670</u>
CREDITORS			
Amounts falling due after more than one year		(322,343)	(322,343)
NET LIABILITIES		<u>(303,140)</u>	<u>(79,673)</u>
CAPITAL AND RESERVES			
Called up share capital	3	768,710	768,710
Profit and loss account		(1,071,850)	(848,383)
SHAREHOLDERS' FUNDS		<u>(303,140)</u>	<u>(79,673)</u>

The directors have taken advantage, in the preparation of the Abbreviated Accounts, of the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the Board of Directors on.....8/12/2000.....and signed on their behalf by:



 Dr. G.S.B. Street - Director

The annexed notes form part of these financial statements.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and on the basis of the company continuing as a going concern through financial arrangements already made for its short-term requirements and as a result of negotiations in progress regarding its longer term needs.

The effect of events in relation to the year ended 30 June 2000, which occurred before the date of approval of the financial statements by the Board of Directors, has been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 June 2000 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write-off the cost of tangible fixed assets over their expected useful lives using the following rate:

Fixtures, fittings and equipment - 25% reducing balance

2. FIXED ASSETS

	Tangible fixed assets £
Cost	
At 1 July 1999	48,471
Additions	5,330
Disposals	(17,756)
At 30 June 2000	<u>36,045</u>
Depreciation	
At 1 July 1999	24,122
Charge for the year	4,798
Disposals	(7,268)
At 30 June 2000	<u>21,652</u>
Net book value	
At 30 June 2000	<u><u>14,393</u></u>
At 30 June 1999	<u><u>24,350</u></u>

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (CONT)

3. SHARE CAPITAL

	2000 £	1999 £
Authorised		
2,000 Ordinary shares of £1 each	2,000	2,000
768,000 Convertible Preference shares of £1 each	768,000	768,000
	<u>770,000</u>	<u>770,000</u>
 Allotted, called up and fully paid		
710 Ordinary shares of £1 each	710	710
768,000 Convertible Preference shares of £1 each	768,000	768,000
	<u>768,710</u>	<u>768,710</u>

The Convertible Preference shares consist of:

120,000 'A' Convertible Preference shares of £1 each	120,000	120,000
48,000 'B' Convertible Preference shares of £1 each	48,000	48,000
600,000 'C' Convertible Preference shares of £1 each	600,000	600,000

Rights and Restrictions attaching to the three classes of convertible preference share

The rights and restrictions are as follows:

a) There is no entitlement to dividend

b) On a return of capital on a liquidation or otherwise (other than a reduction of capital approved by the Court) the assets of the company available for distribution amongst the members shall be applied as follows:

First in paying to the holders of the 'C' Convertible Preference shares

Secondly in paying to the holders of the 'B' Convertible Preference shares

Thirdly in paying to the holders of the 'A' Convertible Preference shares

c) The holders of all three classes of preference shares are entitled at all times to receive notice of all General Meetings of the company.

At such general meetings each member present in person shall, on a show of hands, have one vote (same rights as the ordinary shareholders) and, on a poll, each member present in person or by proxy or representative shall be entitled to:

one vote for every 300 'A' Convertible Preference shares held
one vote for every 872.73 'B' Convertible Preference shares held
one vote for every 1030.93 'C' Convertible Preference shares held

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (CONT)

d) The holders (of each class of Convertible Preference shares) shall be entitled, by notice to the company signed by a majority in nominal value of that class of Convertible Preference shares and given at any time, to convert all, but not part, of that class of Convertible Preference shares into fully paid Ordinary shares at the rates of:

one Ordinary share for every 300 'A' Convertible Preference shares
one Ordinary share for every 872.73 'B' Convertible Preference shares
one Ordinary share for every 1030.93 'C' Convertible Preference shares

4. PARENT UNDERTAKINGS

The ultimate parent company is Solid Vision Limited, a company registered in England.