

EAU VIVANTE ECO-SYSTEMES LIMITED**Financial Statements****Period 1 May, 1999 to 30 April, 2000****EAU VIVANTE ECO-SYSTEMES LIMITED****Report of the Directors**

The directors presented their report and accounts for the period ended 30 April, 2000

Statement of director's responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing these financial statements the directors are required to :

Select suitable accounting policies and 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

Principal activities

The principal activity of the company is the design of ecological water and waste treatment systems.

Directors

The directors who served during the period commencing 1 May, 1999 and the interests in the shares of the company of those serving at the end of the period ending 30 April, 2000 were as follows :

Ordinary shares of £1 each

John Fraser Cant	1
David Martin Shields	1
Jane Leslie Shields	1

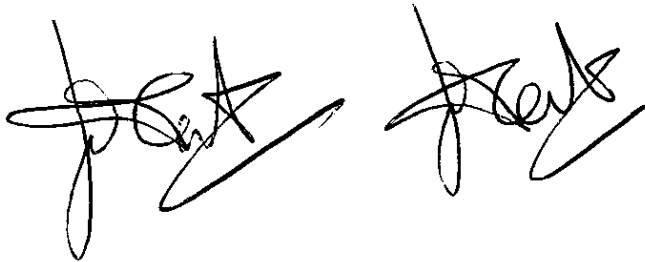


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Small company exemptions

Advantage has been taken, in the preparation of this report, of special provisions provided by section 246(4) of the Companies Act 1985 applicable to small companies.

On behalf of the board



John Fraser Cant, Secretary

Company Information

Directors : John Fraser Cant
 David Martin Shields
 Jane Leslie Shields

Secretary : John Fraser Cant

Registered Office : 5 Holyrood Road
 Edinburgh EH8 8AE
 Scotland, U.K.

Bankers : **Clydesdale Bank**
 10 North Bridge
 Edinburgh EH1QJ
 Scotland
 Société Générale
 22 rue Pierre Orus
 33350 Castillon-la-Bataille
 France
 (account closed on 3 March, 2000)

Registered No : SC181843

EAU VIVANTE ECO-SYSTEMES LIMITED**Profit and Loss Account****Period 1 May, 1999 to 30 April, 2000**

	Notes	2000	1999
			£
Turnover	2	2804	3653
Cost of sales		677	857
		-----	-----
Gross Profit		2127	2796
Administrative expenses		3537	3182
		-----	-----
Operating loss	3	-1410	-386
Interest receivable		-	-
Loss on ordinary activities before taxation		-1410	-386
Tax on profit on ordinary activities		0	0
		-----	-----
Retained loss for the period		-1410	-386
		=====	=====

Continuing operations

None of the company's activities were acquired or discontinued during the period.

Total recognised gains and losses

The company has no recognised gains or losses other than the loss for the period.

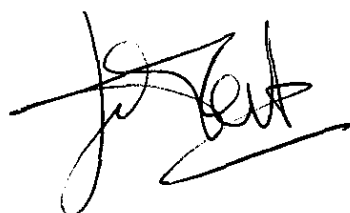
EAU VIVANTE ECO-SYSTEMES LIMITED**Balance Sheet at 30 April, 2000**

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible Assets	6		398		262
Current assets					
Debtors		0		699	
Cash in bank & in hand		163		1904	
		<u>163</u>		<u>2603</u>	
Current liabilities					
Creditors - amounts falling due within one year	7	2353		3247	
		<u>2353</u>		<u>3247</u>	
			-2190		-644
Net liabilities			<u>-1792</u>		<u>-382</u>
Capital and reserves					
Called up share capital	8		4		4
Profit & loss account	9		-1796		-386
			<u>-1792</u>		<u>-382</u>
Shareholders' funds			<u>-1792</u>		<u>-382</u>

Report for the purposes of section 249A(1)

In the opinion of the directors, the company is entitled to exemption from audit under section 249A(1) of the Companies Act 1985 ('the Act'). No notice has been deposited requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which gives a true and fair view of the state of affairs of the company and of its profit or loss for the period in accordance with section 226 of the Act and which otherwise comply with the applicable requirements of the Act relating to the financial statements of the company.

On behalf of the board



John Fraser Cant, Director

Approved by the board on

4 NOVEMBER 2000

EAU VIVANTE ECO-SYSTEMES LIMITED

Notes to the Accounts

Period 1 May, 1999 to 30 April, 2000

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK and overseas net of VAT and other related taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life :

Equipment	25% on reducing balance
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Value added tax

The company is not registered for Value Added Tax.

Exchange rate

Payments received or made in French Francs have been converted to Pounds Sterling at the following rate :

One Pound Sterling = 10.2445 French Francs (Inland Revenue rate 1999 - 2000).

2. Turnover

In the opinion of the directors, the percentage of the turnover of the company attributable to markets outside the UK is 100%.

3. Operating Loss

The operating loss is stated after charging :

	2000	1999
	£	£
Depreciation	133	87
Accountant's remuneration	41	165
	=====	=====

4. Staff costs and directors' remuneration

The average number of persons employed by the company during the period was zero.

	2000	1999
	£	£
Wages and salaries	0	0
Social security costs	0	0
	=====	=====

5. Taxation

No tax has been provided on the adjusted loss of the period at the appropriate rate

	2000	1999
	£	£
Charge for the period	Nil	Nil
	=====	=====

6. Tangible fixed assets

	2000	1999
Equipment	£	£
Cost at 1 May, 1999	349	0
Additions	269	349
Cost at 30 April, 2000	618	349
Depreciation at 1 May, 1999	87	0
Charge for the period	133	87
Depreciation at 30 April, 2000	220	87
<i>Net book value</i>		
at 1 May, 1999	262	0
at 30 April, 2000	398	262

7. Creditors : amounts falling due within one year

	2000	1999
	£	£
Trade creditors	0	1059
Loans from directors	2353	2188
Corporation tax	0	0
Other taxes and social security	0	0
	-----	-----
	2353	3247
	=====	=====

Loans from directors are interest free with no fixed dates for repayment

8. Called-up share capital

	2000	1999
	£	£
Authorised		
1000 ordinary shares of £1 each	1000	1000
	=====	=====
Allotted & fully paid		
4 ordinary shares of £1 each	4	4
	=====	=====

9. Profit and Loss accounts

	2000	1999
	£	£
Balance at 1 May, 1999	-386	0
Loss for the period	-1410	-386
	-----	-----
Balance at 30 April, 2000	-1796	-386
	=====	=====

EAU VIVANTE ECO-SYSTEMES LIMITED**Trading & Profit and Loss Account****Period 1 May, 1999 to 30 April, 2000**

	2000	1999
	£	£
Sales	2804	3653
Cost of sales	677	857
	-----	-----
	2127	2796
Interest receivable	-	-
	-----	-----
	2127	2796
Expenditure		
Wages & salaries	-	-
Advertising	-	37
Stationery	229	117
Travel	773	1746
Insurance	-	-
Telephone	100	242
Professional services	2018	284
Accountancy	41	165
Bank charges	137	4
Admin Fees	-	342
Depreciation	133	87
Accommodation	74	34
Equipment Hire	-	123
Foreign exchange loss	32	-
Rounding error		1
	-----	-----
	3537	3182
	-----	-----
Net profit	-1410	-386
	=====	=====

EAU VIVANTE ECO-SYSTEMES LIMITED**Tax computation****Period 1 May, 1999 to 30 April, 2000**

	2000 £	1999 £
Loss for the period	-1410	-386
Add : depreciation	133	87
	<u>-1277</u>	<u>-299</u>
Deduct :		
Interest received (tax paid)	-	-
Capital allowances	133	87
	<u>-133</u>	<u>-87</u>
Loss carried forward	<u>-1410</u>	<u>-386</u>
	<u>=====</u>	<u>=====</u>

Capital allowances

	Pool £	2000 Claimed £	Pool £	1999 Claimed £
Balance B/F	262		-	
Additions	269		349	
Disposals (nil proceeds)	-		-	
	<u>531</u>	<u>-----</u>	<u>349</u>	<u>-----</u>
WDA 25%	133	133	87	87
WDV c/f	<u>398</u>	<u>133</u>	<u>262</u>	<u>87</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>