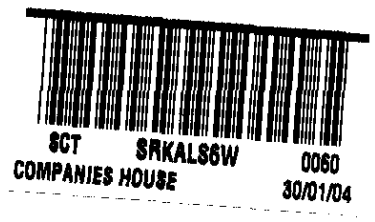
Water at Work Limited

Report and Financial Statements

31 December 2002

SC119721



Registered No. SC119721

Director

S E Allen	(resigned 27 January 2003)
K D Schickli	(resigned 27 January 2003)
R G Kitley	
R W Stephens	(appointed 27 January 2003)

Secretary

Kristine Harvey

Bankers

HSBC
COLCO
8 Canada Square
London
E14 5XL

Solicitors

Dickinson Dees
St Ann's Square
112 Quayside
Newcastle upon Tyne
NE99 1SB

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

Registered Office

3 Livingstone Boulevard
Hamilton International Technology Park
Blantyre
G72 0BP

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2002.

Results and dividends

The profit for the year, after taxation, amounted to £1,044,000 (2001: £661,000). The directors do not recommend the payment of a dividend.

Principal activity and review of the business

The principal activity of the company during the year was that of supplying spring water cooling systems and spring water.

Future developments

The directors anticipate reporting increases in turnover and profitability in the year to 31 December 2003.

Events since the balance sheet date

On 27 January 2003, Nature Springs Water Company Limited, parent company of Water at Work Limited, was acquired by Groupe Danone, a company registered in France.

Directors and their interests

The directors at 31 December 2002, none of whom had any interest in the share capital of the company at any time during the year, were as follows:

S E Allen	(resigned 27 January 2003)
K D Schickli	(resigned 27 January 2003)
R G Kitley	
R W Stephens	(appointed 27 January 2003)

Auditors

A resolution to appoint PricewaterhouseCoopers as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board

Robert Kitley
Director

23 January 2004

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Statement of Directors' Responsibilities in Respect of the Financial Statements

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to 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.

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Independent Auditors' Report

to the members of Water at Work Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 directors 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 affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Glasgow

23 January 2004

Profit and Loss Account

For the year ended 31 December 2002

	Note	*2002*	*2001*
		£000	*£000*
Turnover	2	6,966	6,155
Cost of sales		641	769
Gross profit		6,325	5,386
Administrative expenses		4,527	4,050
Operating profit	3	1,798	1,336
Interest payable	5	(365)	(291)
Profit on ordinary activities before taxation		1,433	1,045
Taxation	6	389	384
Profit for the financial year	15	1,044	661

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Statement of Total Recognised Gains and Losses

For the year ended 31 December 2002

There are no recognised gains or losses other than the profit of £1,044,000 in the year ended 31 December 2002 and of £661,000 in the year ended 31 December 2001.

Balance Sheet

at 31 December 2002

	Note	2002 £000	2001 £000
Fixed assets			
Tangible assets	7	4,537	4,602
Investments	8	25	25
		4,562	4,627
Current assets			
Stocks	9	87	55
Debtors	10	6,437	6,187
Cash at bank and in hand		2,758	594
		9,282	6,836
Creditors: amounts falling due within one year	11	3,133	3,695
Net current assets		6,149	3,141
Total assets less current liabilities		10,711	7,768
Creditors: amounts falling due after more than one year	12	3,507	1,607
Provisions for liabilities and charges	6	785	786
		6,419	5,375
Capital and reserves			
Called up share capital	14	81	81
Profit and loss account	15	6,338	5,294
Equity shareholders' funds		6,419	5,375

Robert Kitley
Director

23 January 2004

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Notes to the Financial Statements

at 31 December 2002

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The company itself is a subsidiary undertaking of an EU parent. The company has therefore taken advantages of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group financial statements. The company and its subsidiary undertaking are included in the group financial statements of Nature Springs Water Company Limited.

Depreciation

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value evenly over their estimated useful lives as follows:

Freehold land and buildings	-	40 years
Plant and machinery	-	3 - 10 years
Motor vehicles	-	5 or 10 years
Fixtures and fittings	-	3 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the year of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Deferred income

Deferred income represents cooler lease receipts received in advance. These amounts are recognised as revenue in the year to which the lease relates.

Customer deposits

Deposits received on bottles and coolers are classified as current liabilities as they may be required to be repaid within one year.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 (Revised) on the grounds that it is a wholly owned subsidiary of a parent undertaking which produces publicly available group financial statements.

2. Turnover

Turnover, which is stated net of value added tax, represents the amount derived from the provision of goods and services which fall within the company's ordinary continuing activities in one market, the United Kingdom.

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Notes to the Financial Statements

at 31 December 2002

3. Operating profit

This is stated after charging:

	2002 £000	2001 £000
Auditors' remuneration	18	5
Depreciation of owned fixed assets	686	490
Depreciation of leased fixed assets	49	25
Operating lease rentals - land and buildings	24	275
- plant and machinery	7	21

4. Staff costs

	2002 £000	2001 £000
Wages and salaries	2,352	1,852
Social security costs	177	163
	2,529	2,015

The monthly average number of employees during the year was as follows:

	2002 No.	2001 No.
Sales	21	16
Distribution	42	42
Maintenance	14	18
Production	5	4
Administration	31	18
	113	98

5. Interest payable

	2002 £000	2001 £000
Finance lease and hire purchase contracts	-	3
Bank interest	93	93
Interest due to group undertakings	272	195
	365	291

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Notes to the Financial Statements

at 31 December 2002

6. Taxation

(a) Tax on profit on ordinary activities

	2002 *£000*	*2001* *£000*
The tax charge is made up as follows:		
UK corporation tax - current year	508	133
- prior year	(118)	106
Deferred taxation	(1)	145
	389	384

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are reconciled below:

	2002 *£000*	*2001* *£000*
Profit on ordinary activities before tax	1,433	1,045
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	430	313
Disallowed expenses and non taxable income	4	7
Depreciation in excess of capital allowances	45	(27)
Other timing differences	28	(1)
Group relief	-	(158)
Adjustments in respect of previous periods	(118)	105
Current tax charge for the period	389	239

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2002 *£000*	*2001* *£000*
Included in provisions for liabilities and charges	785	786
Accelerated capital allowances	815	798
Other timing difference	(30)	-
	785	798

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Notes to the Financial Statements

at 31 December 2002

7. Tangible fixed assets

	Freehold Land and buildings £000	*Motor vehicles £000*	*Plant and machinery £000*	*Fixtures and fittings £000*	*Total £000*
Cost:					
At 1 January 2002	2,464	840	3,004	49	6,357
Additions	37	221	370	42	670
Disposals	-	(47)	(8)	-	(55)
At 31 December 2002	2,501	1,014	3,366	91	6,972
Depreciation:					
At 1 January 2002	93	292	1,321	49	1,755
Charge for the year	61	185	447	42	735
Disposals	-	(47)	(8)	-	(55)
At 31 December 2002	154	430	1760	91	2,435
Net book value:					
At 31 December 2002	2,347	584	1606	-	4,537
At 1 January 2002	2,371	548	1,683	-	4,602

The net book amount of fixed assets includes £Nil (2001: £49,000) in respect of assets held under finance leases and hire purchase contracts.

Included in fixed assets above are coolers leased on operating leases to third parties at an original cost of £1,743,000 (2001: £1,743,000) less accumulated depreciation of £1,196,000 (2001: £957,000).

8. Investments

	Subsidiary undertaking £000
Cost:	
At 1 January 2002 and at 31 December 2002	25

The company owns the entire ordinary and preference share capital of Natural Water Limited, a company registered in Scotland, whose principal activity is supplying spring water.

9. Stocks

	2002 £000	*2001 £000*
Finished goods and goods for resale	87	55

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Notes to the Financial Statements

at 31 December 2002

10. Debtors

	2002	*2001*
	£000	*£000*
Trade debtors	1,271	1,131
Amounts owed by group undertakings	4,990	4,920
Other debtors	-	-
Prepayments and accrued income	176	136
	6,437	6,187

11. Creditors: amounts falling due within one year

	2002	*2001*
	£000	*£000*
Current instalment due on bank loan (note 13)	131	124
Bank loans and overdraft	-	-
Trade creditors	439	296
Amounts owed to group undertakings	618	2,575
Corporation tax	476	14
Other taxation and social security	163	124
Accruals and deferred income	1,306	562
	3,133	3,695

12. Creditors: amounts falling due after more than one year

	2002	*2001*
	£000	*£000*
Bank loan (note 13)	979	1,113
Other creditors	2,528	494
	3,507	1,607

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Notes to the Financial Statements

at 31 December 2002

13. Loans

	2002 £000	2001 £000
Not wholly repayable within five years:		
£1,350,000 bank loan at 1.5% above basic rate repayable in monthly instalments	1,110	1,237
	1,110	1,237
Less: included in creditors amounts falling due within one year	131	124
	979	1,113
Amounts repayable:		
In one year or less, or on demand	131	124
In more than one year but not more than two years	437	131
In more than two years but not more than five years	145	437
	713	692
In more than five years	397	545
	1,110	1,237

The bank loan is secured by a fixed charge over the freehold property and a floating charge on the assets of the company.

14. Called up share capital

	2002		2001	
	No.000	£000	No.000	£000
Authorised:				
Ordinary shares of £1 each	100	100	100	100
Allotted called up and fully paid:				
Ordinary shares of £1 each	81	81	81	81

15. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2001	81	4,633	4,714
Profit for the year	-	661	661
At 31 December 2001	81	5,294	5,375
Profit for the year	-	1,044	1,044
At 31 December 2002	81	6,338	6,419

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Notes to the Financial Statements

at 31 December 2002

16. Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are members of Sparkling Spring Water Group Limited group of companies.

17. Ultimate parent undertaking

The ultimate parent undertaking and controlling party at the balance sheet date is Sparkling Spring Water Group Limited, a company incorporated in Canada. Financial statements for this entity are available from 19 Fielding Avenue, Dartmouth, Nova Scotia, Canada, B3B 1C9.

The parent undertakings of the smallest and largest groups of which the company is a member and for which group financial statements are prepared are Nature Springs Water Company Limited and Sparkling Spring Water Group Limited respectively. Financial statements for Nature Springs Water Company Limited are available from its registered office: Unit 5 Alexandra Way, Ashchurch Business Centre, Tewkesbury, Gloucestershire, GL20 8NB.

18. Events since the balance sheet date

On 27 January 2003, Nature Springs Water Company Limited, parent company of Water at Work Limited, was acquired by Groupe Danone, a company registered in France.

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