

EXHIBIT 2
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENT OR FORM

Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)

Financial Statements
As at March 31, 2003

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Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)
Balance Sheet
As at March 31, 2003

Assets

Assets

Cash

\$36,088

Total Assets

\$36,088

Liabilities and Stockholders' Equity

Liabilities

Due to Related Party

\$35,009

Total Liabilities

35,009

Stockholders' Equity

Common Stock, No Par Value
(1,000 Shares Authorized;
100 Shares Issued and Outstanding)

Paid in Capital

50,000

Retained Earnings
(Deficit Accumulated During the
Development Stage)

(48,921)

Total Stockholders' Equity

1,079

Total Liabilities and Stockholders' Equity

\$36,088

Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)
Statement of Income and Retained Earnings
For the period January 1, 2003 to March 31, 2003

	<u>March 31, 2003</u>
Operating Expenses	\$0
	<hr/>
Net Loss	0
Retained Earnings, Beginning of Period	(48,921)
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Retained Earnings, End of Period	<u><u>\$(48,921)</u></u>

Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)

Financial Statements
Year Ended December 31, 2002

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BENHAM, ICHEN & KNOX, LLP

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS


INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cannon Hygiene Franchising (USA) Inc.
Naperville, Illinois

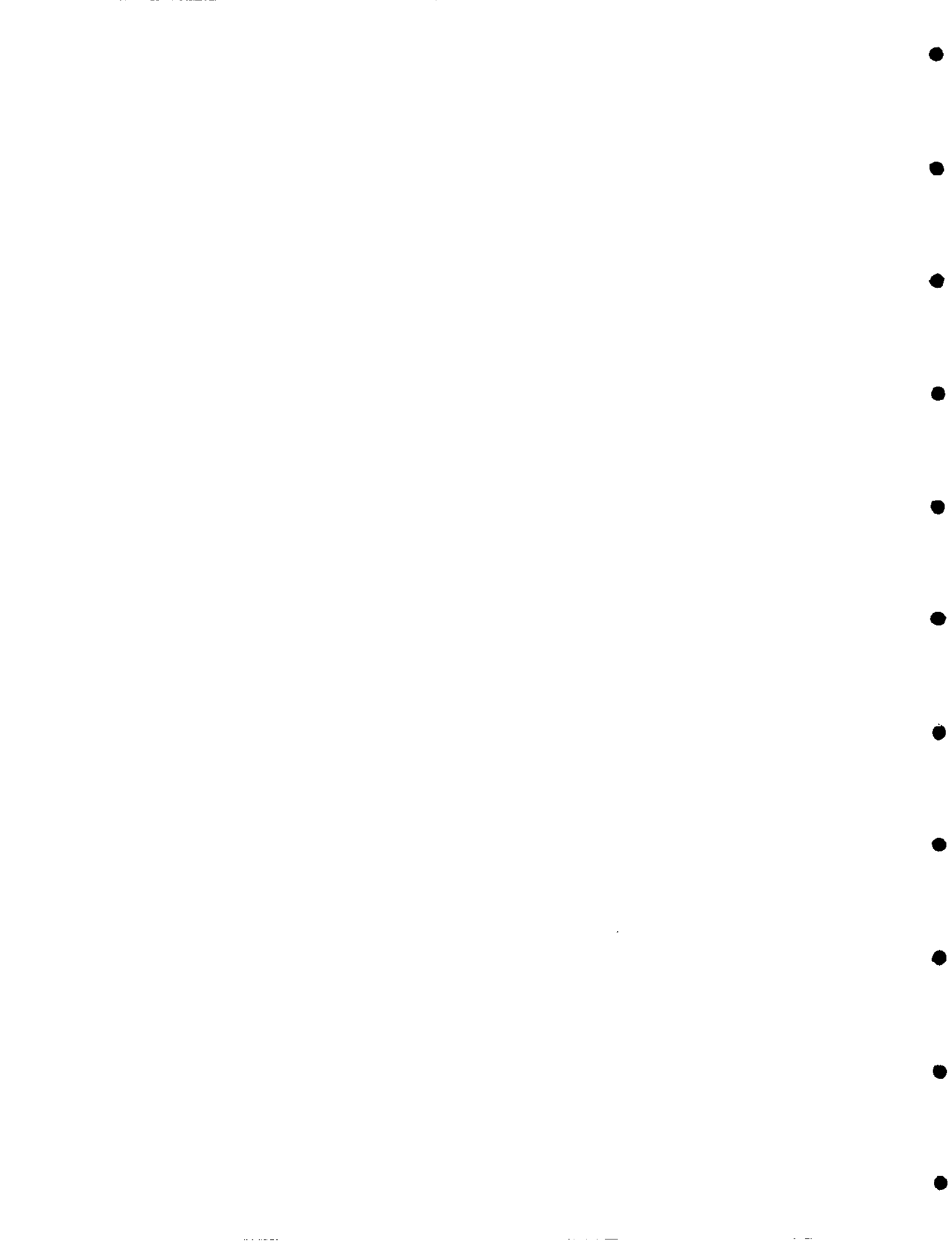
We have audited the accompanying balance sheet of Cannon Hygiene Franchising (USA) Inc. (a Development Stage Company) as of December 31, 2002, and the related statements of income and retained earnings and cash flows for the year ended December 31, 2002, and the period from April 16, 1999 (date of inception) to December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Cannon Hygiene Franchising (USA) Inc. (a Development Stage Company) as of December 31, 2002, and the results of its operations and cash flows for the year then ended and the period from April 16, 1999 (date of inception) to December 31, 2002, in conformity with U.S. generally accepted accounting principles.


BENHAM, ICHEN & KNOX LLP
Libertyville, Illinois

April 22, 2003



Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)
Balance Sheet
December 31, 2002

Assets

Assets

Cash	<u>\$36,088</u>
Total Assets	<u><u>\$36,088</u></u>

Liabilities and Stockholders' Equity

Liabilities

Due to Related Party	<u>\$35,009</u>
Total Liabilities	<u>35,009</u>

Stockholders' Equity

Common Stock, No Par Value (1,000 Shares Authorized; 100 Shares Issued and Outstanding)	
Paid in Capital	50,000
Retained Earnings (Deficit Accumulated During the Development Stage)	<u>(48,921)</u>
Total Stockholders' Equity	<u>1,079</u>
Total Liabilities and Stockholders' Equity	<u><u>\$36,088</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)
Statement of Income and Retained Earnings
For the Year ended December 31, 2002, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2002

	Year Ended <u>December 31, 2002</u>	April 16, 1999 (Inception) to <u>December 31, 2002</u>
Operating Expenses	<u>\$ (2,510)</u>	<u>\$ (48,921)</u>
Net Loss	(2,510)	(48,921)
Retained Earnings, Beginning of Period	(46,411)	0
Retained Earnings, End of Period	<u><u>\$ (48,921)</u></u>	<u><u>\$ (48,921)</u></u>

The accompanying notes to the financial statements
 are an integral part of this statement.

Cannon Hygiene Franchising (USA) Inc.
(A Development Stage Company)
Statement of Cash Flows
For the Year ended December 31, 2002, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2002

	<u>Year Ended</u> <u>December 31, 2002</u>	<u>April 16, 1999</u> <u>(Inception) to</u> <u>December 31, 2002</u>
Cash Flows From Operating Activities		
Net Loss	<u>\$ (2,510)</u>	<u>\$ (48,921)</u>
Adjustments to reconcile net loss to net cash used by operating activities:		
Increase (Decrease) in operating liabilities:		
Accounts Payable		0
Due to Related Party	<u>0</u>	<u>35,009</u>
Total Adjustments	<u>0</u>	<u>35,009</u>
Net cash used by operating activities	<u>(2,510)</u>	<u>(13,912)</u>
Cash Flows From Investing Activities		
Increase in Paid in Capital	<u>0</u>	<u>50,000</u>
Net cash provided by investing activities	<u>0</u>	<u>50,000</u>
Net Increase (Decrease) in Cash	(2,510)	36,088
Cash, Beginning of Period	38,598	0
Cash, End of Period	<u><u>\$36,088</u></u>	<u><u>\$36,088</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND OPERATION

Cannon Hygiene Franchising (USA) Inc. (a Development Stage Company) (the Company) was incorporated on January 8, 1999. The Company plans to grant franchises throughout the United States. The Company is located in Naperville, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards No. 109. The provision for income tax expense or benefit is based on income or loss reported for financial statement purposes, adjusted for temporary and permanent differences between reported financial and taxable income and loss.

NOTE 3 - RELATED PARTY

Cannon Hygiene International Limited has paid legal expenses of \$35,009 on behalf of the Company.

NOTE 4 - DEVELOPMENT STAGE COMPANY

The franchisee's (when granted) business will install and service disposal units for the safe, hygienic and discreet disposal of sanitary napkins, tampons, babies' diapers and incontinence waste at customers' locations.

As of the date of this report no franchises have been granted.

NOTE 5 - CAPITALIZATION

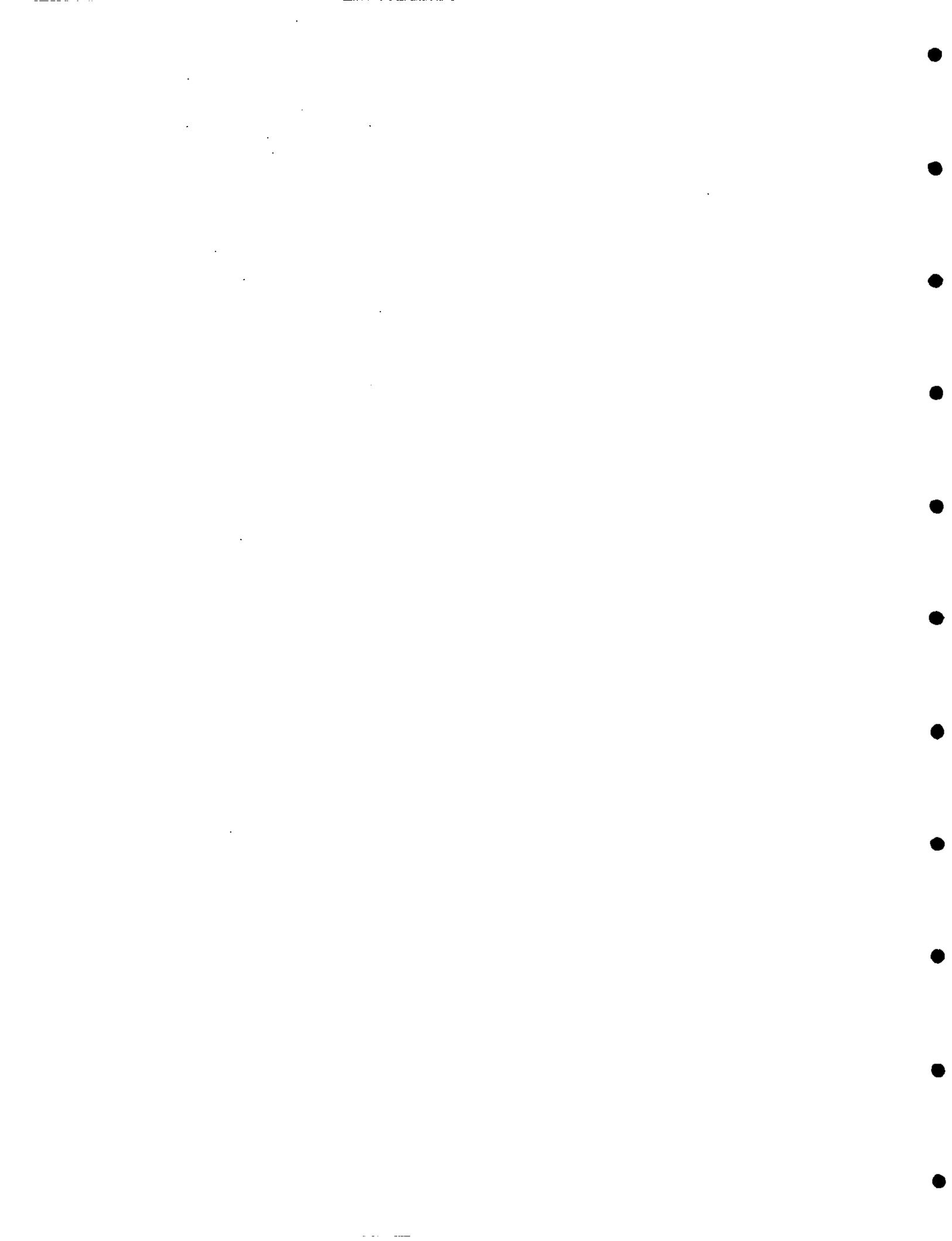
	<u>Date</u>	<u># of Shares</u>	<u>Amount</u>
Common Stock	6/7/99	100	\$ 0
Paid in Capital	4/16/99	--	\$30,000
	12/27/99	--	\$20,000

CANNON HYGIENE FRANCHISING (USA) INC.

(A Development Stage Company)

Financial Statements

December 31, 2001





BENHAM, ICHEN & KNOX LLP

● CERTIFIED PUBLIC ACCOUNTANTS
● MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cannon Hygiene Franchising (USA) Inc.
Naperville, Illinois

We have audited the accompanying balance sheet of Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) as of December 31, 2001 and the related statements of income and cash flows for the year ended December 31, 2001 and the period from April 16, 1999 (Date of Inception) to December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) as of December 31, 2001, and the results of its operations and cash flows for the year then ended and the period from April 16, 1999 (Date of Inception) to December 31, 2001 in conformity with U.S. generally accepted accounting principles.

Benham, Ichen & Knox LLP

BENHAM, ICHEN & KNOX, LLP
Libertyville, Illinois

May 23, 2002



CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Balance Sheet
December 31, 2001

ASSETS

Assets

Cash	\$ <u>38,598</u>
Total Assets	\$ <u><u>38,598</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Due to Related Party	\$ <u>35,009</u>
Total Liabilities	<u>35,009</u>

Stockholders' Equity

Common Stock, No Par Value (1,000 Shares Authorized; 100 Shares Issued and Outstanding)	
Paid in Capital	50,000
Retained Earnings (Deficit Accumulated During the Development Stage)	<u>(46,411)</u>
Total Stockholders' Equity	<u>3,589</u>
Total Liabilities and Stockholders' Equity	\$ <u><u>38,598</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Statement of Income and Retained Earnings
Year Ended December 31, 2001, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2001

	<u>Year Ended</u> <u>December 31, 2001</u>	<u>April 16, 1999</u> <u>(Inception) To</u> <u>December 31, 2001</u>
Operating Expenses	\$ (3,042)	\$ (46,411)
Net Loss	(3,042)	(46,411)
Retained Earnings, Beginning of Period	<u>(43,369)</u>	<u>-0-</u>
Retained Earnings, End of Period	<u>\$ (46,411)</u>	<u>\$ (46,411)</u>

The accompanying notes to the financial statements
are an integral part of this statement.

CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Statement of Cash Flows
Year Ended December 31, 2001, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2001

	<u>Year Ended</u> <u>December 31, 2001</u>	<u>April 16, 1999</u> <u>(Inception) To</u> <u>December 31, 2001</u>
Cash Flows From Operating Activities		
Net Loss	\$ (3,042)	\$ (46,411)
Adjustments to reconcile net loss to net cash used by operating activities:		
Increase (decrease) in operating liabilities:		
Accounts payable	(3,134)	-0-
Due to Related Party	<u>-0-</u>	<u>35,009</u>
Total adjustments	<u>(3,134)</u>	<u>35,009</u>
Net cash used in operating activities	<u>(6,176)</u>	<u>(11,402)</u>
Cash Flows From Investing Activities		
Increase in Paid in Capital	<u>-0-</u>	<u>50,000</u>
Net cash provided by investing activities	<u>-0-</u>	<u>50,000</u>
Net (Decrease) Increase in Cash	(6,176)	38,598
Cash, Beginning of Period	<u>44,774</u>	<u>-0-</u>
Cash, End of Period	<u>\$ 38,598</u>	<u>\$ 38,598</u>

The accompanying notes to the financial statements
are an integral part of this statement.

(A Development Stage Company)

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND OPERATION

Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) (the Company) was incorporated on January 8, 1999. The Company plans to grant franchises throughout the United States. The Company is located in Naperville, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles.

Use of Estimates

The process of preparing financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards No. 109. The provision for income tax expense or benefit is based on income or loss reported for financial statement purposes adjusted for temporary and permanent differences between reported financial and taxable income and loss.

NOTE 3 - RELATED PARTY

Cannon Hygiene International Limited has paid legal expenses, of \$ 35,009, on behalf of the Company.

NOTE 4 - DEVELOPMENT STAGE COMPANY

The franchisee's (when granted) business will install and service disposal units for the safe, hygienic and discreet disposal of sanitary napkins, tampons, babies' diapers and incontinence waste at customer's locations.

As of the date of this report no franchises have been granted.

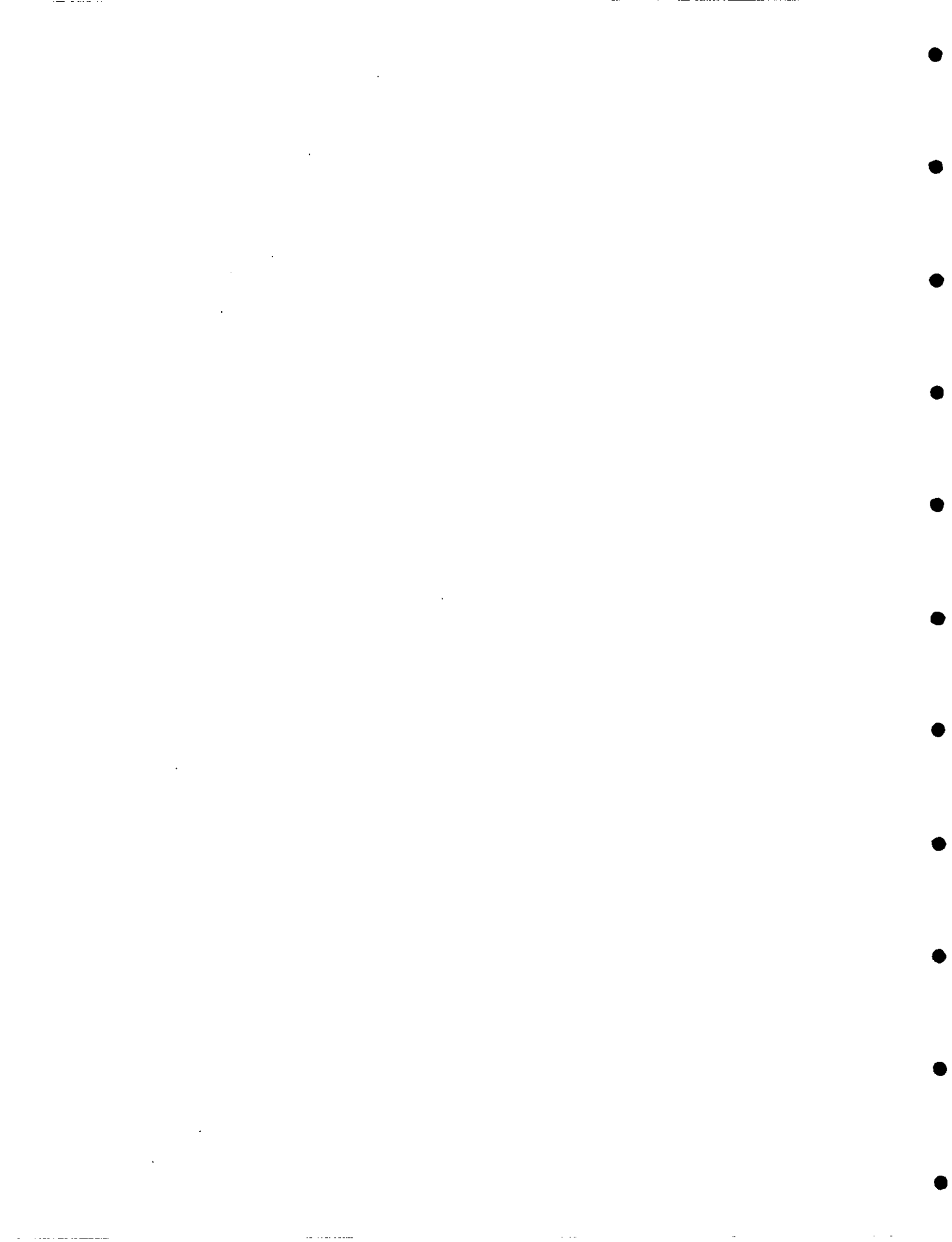
CANON HYGIENE FRANCHISING (USA) INC.

(A Development Stage Company)

Notes to Financial Statements

NOTE 5 - CAPITALIZATION

	<u>Date</u>	<u># of Shares</u>	<u>Amount</u>
Common Stock	6/7/99	100	\$ 0
Paid in Capital	4/16/99	-	\$ 30,000
	12/27/99	-	\$ 20,000



CANNON HYGIENE FRANCHISING (USA) INC.

(A Development Stage Company)

Financial Statements

December 31, 2000

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BENHAM, ICHEN & KNOX LLP

● CERTIFIED PUBLIC ACCOUNTANTS

● MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cannon Hygiene Franchising (USA) Inc.
Naperville, Illinois

We have audited the accompanying balance sheet of Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) as of December 31, 2000 and the related statements of income and cash flows for the year ended December 31, 2000 and the period from April 16, 1999 (Date of Inception) to December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) as of December 31, 2000, and the results of its operations and cash flows for the year then ended and the period from April 16, 1999 (Date of Inception) to December 31, 2000 in conformity with generally accepted accounting principles.

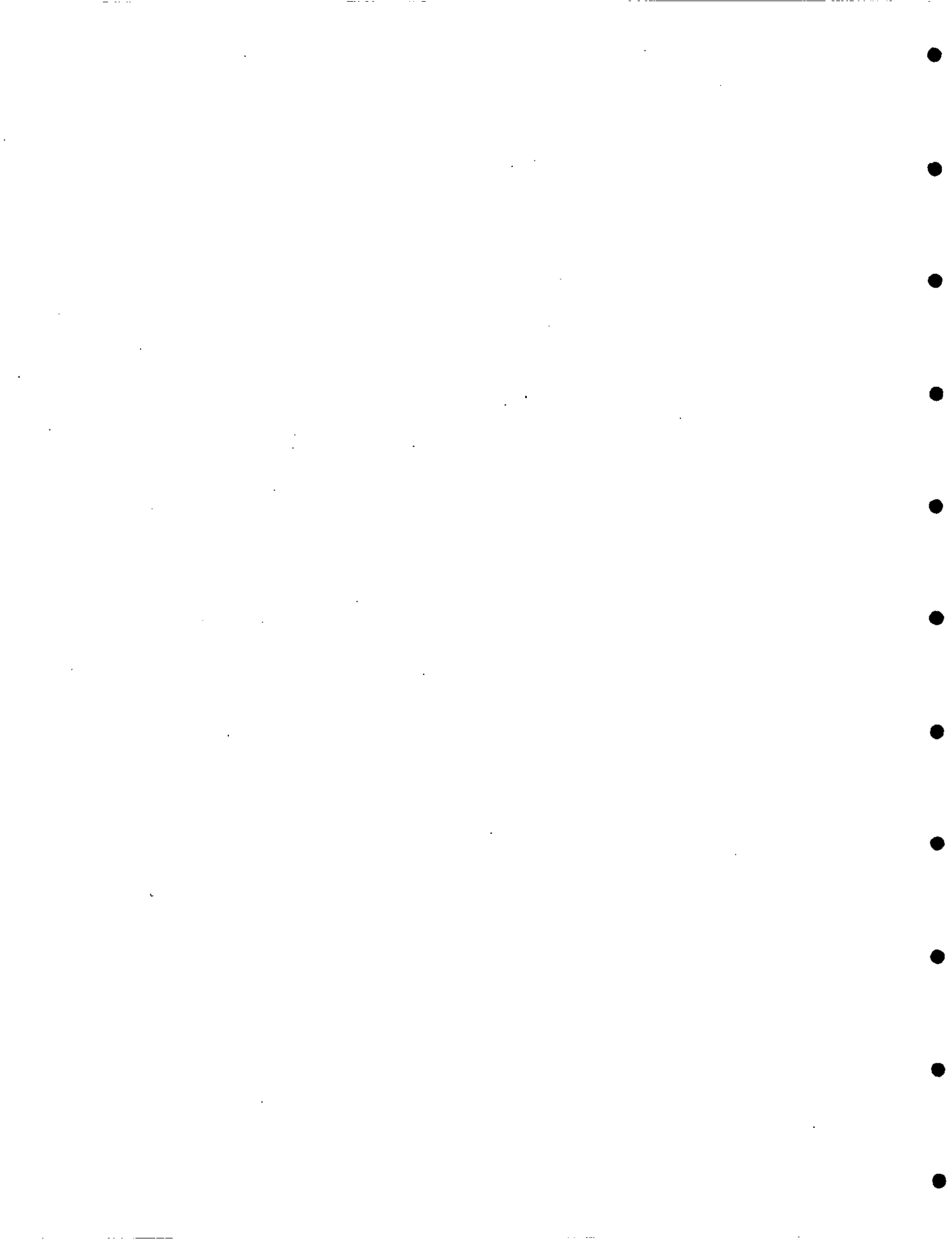
BENHAM, ICHEN & KNOX LLP

BENHAM, ICHEN & KNOX, LLP
Libertyville, Illinois

May 17, 2001

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CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Balance Sheet
December 31, 2000

ASSETS

Assets

Cash	\$ <u>44,774</u>
Total Assets	\$ <u>44,774</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Accounts Payable	\$ 3,134
Due to Related Party	<u>35,009</u>
Total Liabilities	<u>38,143</u>

Stockholders' Equity

Common Stock, No Par Value (1,000 Shares Authorized; 100 Shares Issued and Outstanding)	
Paid in Capital	50,000
Retained Earnings (Deficit Accumulated During the Development Stage)	<u>(43,369)</u>
Total Stockholders' Equity	<u>6,631</u>
Total Liabilities and Stockholders' Equity	<u>\$ 44,774</u>

The accompanying notes to the financial statements
are an integral part of this statement.

CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Statement of Income and Retained Earnings
Year Ended December 31, 2000, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2000

	<u>Year Ended</u> <u>December 31, 2000</u>	<u>April 16, 1999</u> <u>(Inception) To</u> <u>December 31, 2000</u>
Operating Expenses	\$ <u>(5,860)</u>	\$ <u>(43,369)</u>
Net Loss	(5,860)	(43,369)
Retained Earnings, Beginning of Period	<u>(37,509)</u>	<u>-0-</u>
Retained Earnings, End of Period	<u>\$ (43,369)</u>	<u>\$ (43,369)</u>

The accompanying notes to the financial statements
are an integral part of this statement.

CANNON HYGIENE FRANCHISING (USA) INC.
(A Development Stage Company)
Statement of Cash Flows
Year Ended December 31, 2000, and the Period from
April 16, 1999 (Date of Inception) to December 31, 2000

	<u>Year Ended</u> <u>December 31, 2000</u>	<u>April 16, 1999</u> <u>(Inception) To</u> <u>December 31, 2000</u>
Cash Flows From Operating Activities		
Net Loss	\$ (5,860)	\$ (43,369)
Adjustments to reconcile net loss to net cash used by operating activities:		
Increase (decrease) in operating liabilities:		
Accounts payable	3,134	3,134
Due to Related Party	<u>-0-</u>	<u>35,009</u>
Total adjustments	<u>3,134</u>	<u>38,143</u>
Net cash used in operating activities	<u>(2,726)</u>	<u>(5,226)</u>
Cash Flows From Investing Activities		
Increase in Paid in Capital	<u>-0-</u>	<u>50,000</u>
Net cash provided by investing activities	<u>-0-</u>	<u>50,000</u>
Net (Decrease) Increase in Cash	(2,726)	44,774
Cash, Beginning of Period	<u>47,500</u>	<u>-0-</u>
Cash, End of Period	<u>\$ 44,774</u>	<u>\$ 44,774</u>

The accompanying notes to the financial statements
are an integral part of this statement.

(A Development Stage Company)

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND OPERATION

Cannon Hygiene Franchising (USA) Inc. (A Development Stage Company) (the Company) was incorporated on January 8, 1999. The Company plans to grant franchises throughout the United States. The Company is located in Naperville, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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Use of Estimates

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Income Taxes

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NOTE 3 - RELATED PARTY

Cannon Hygiene International Limited has paid legal expenses, of \$ 35,009, on behalf of the Company.

NOTE 4 - DEVELOPMENT STAGE COMPANY

The franchisee's (when granted) business will install and service disposal units for the safe, hygienic and discreet disposal of sanitary napkins, tampons, babies' diapers and incontinence waste at customer's locations.

As of the date of this report no franchisee's have been granted.

(A Development Stage Company)

Notes to Financial Statements

NOTE 5 - CAPITALIZATION

	<u>Date</u>	<u># of Shares</u>	<u>Amount</u>
Common Stock	6/7/99	100	\$ 0
Paid in Capital	4/16/99	-	\$ 30,000
	12/27/99	-	\$ 20,000