

2001 2002

annual report



Environmental Technology Advancement Centre





Members of the Board (from left to right):
Armand Couture, ICI Environnement
Nathalie H. Tremblay, Fonds de solidarité FTQ
Richard Royer, Kanitek
Manon Laporte, Enviro-Access
Jean-Maurice Plourde, CQVB
Claude Bégin, Fasken Martineau DuMoulin
Gérard Bouchard, Propage Créativité Marketing
Edwin Bourget, Université de Sherbrooke
Daniel Williams, Raymond Chabot Grant Thornton
Guy Fouquet, The S.M. Group
Serge Pichette, Bélanger Sauvé

...fosters the emergence and supports the development of innovative projects and companies contributing to the improvement of the quality of the environment and to sustainable development on a local, national and international scale.

Environment Canada Observers

Environmental Technology
 Advancement Directorate
Mr. Abe Finkelstein, Manager
 Clean Technologies and Process Division
Ms. Lorraine Bonneville, Coordinator
 Canadian Environmental Technology
 Advancement Centres



Members

Bélanger Sauvé – Centre québécois de valorisation des biotechnologies (CQVB) – Dessau-Soprin – École Polytechnique (affiliated to the Université de Montréal) – Fasken Martineau DuMoulin – Fonds de solidarité FTQ – Goudreau Gage Dubuc – Grant Thornton – Groupe Communication Plus – Groupe Everest – GSI Environnement – ICI Environnement – Jacques Whitford and Associates – KPMG – Lapointe Rosenstein – The S.M. Group – Marcon – Mr. Claude Bégin – Mr. Richard Royer – Propage Créativité Marketing – Raymond Chabot Grant Thornton – Tecslut Environnement – Université de Moncton – Université de Sherbrooke – Université Laval

Today more than ever, environmental protection and sustainable development are essential components of healthy economic growth. With this in mind, we decided to reformulate our mission this year, in order for our projects and our interventions to better reflect these preoccupations. While our support activities to small and medium sized businesses developing and marketing environmental technologies remain a top priority, we will from now on be working on several projects which contribute to sustainable development and to pollution prevention. Various public partners and private companies from every sector of activity are participating in these projects and appreciate the role played by Enviro-Access.

The expertise that we have developed over the last eight years puts Enviro-Access in a position to act as a neutral and effective agent for the promotion, coordination and management of a wide range of environmental projects.

The report on our 2001-2002 fiscal year, which we are proud to present herewith, eloquently illustrates this expanded vocation.

Forty projects and interventions were undertaken, thereby helping to remedy problems which fall into eight high priority environmental sectors. Many projects had goals of maintaining or improving water quality, saving energy, producing cleaner energy, managing waste materials better or recycling them. Others chiefly aimed to improve air quality and reduce greenhouse gas emissions, restore contaminated sites and safeguard ground-water. A few projects dealt with ecosystems and agro-environment, as well as the elimination of toxic waste. Finally, some aimed to develop tools which would allow improved environmental management practices.

Thirty-seven private companies, whose vocation is linked to the environment, used our services this year. As a group, these businesses constitute an important economic force, having jointly created 148 new jobs, made investments of the order of 28 million dollars, spent more than 10 million dollars on export development and increased their annual turnover by 20% on average.

On the internal management side, the professional team was encouraged to develop a more efficient approach to the client and to better identify the most promising projects with regard to their potential environmental benefits. To help us achieve all of the objectives that we set at the beginning of the year, we allocated a part of our accumulated surplus with the conviction that this will prove to be a wise decision in view of the many challenges looming on the horizon.

From a sustainable development viewpoint, judicious decisions necessarily take into consideration the future consequences of the choices we make today. Thus we hope to maintain well into the future our contribution to developing a form of economic prosperity which is respectful of the quality of our environment on a planetary scale.

President of the Board of Directors

Claude Bégin
 Fasken Martineau DuMoulin

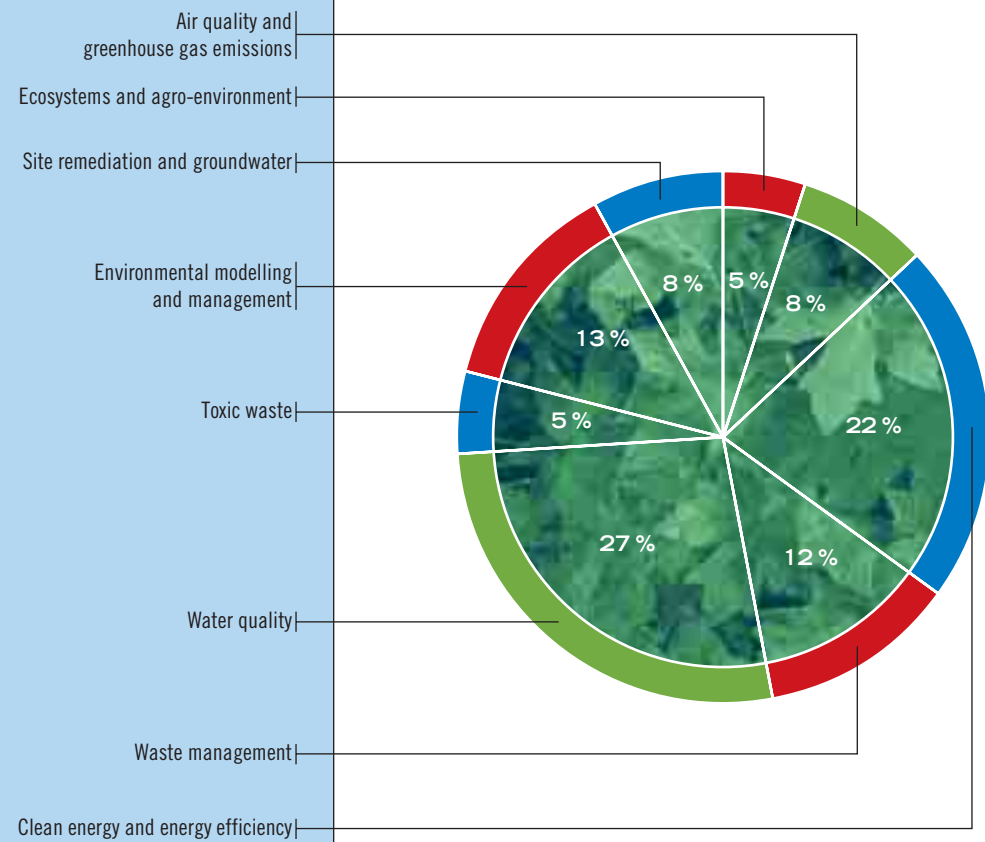
Chief Executive Officer

Manon Laporte
 Enviro-Access

The Year's Activities in Brief

Forty projects and interventions completed, each contributing to the resolution of environmental problems falling into eight priority action sectors.

Distribution of projects by environmental sector



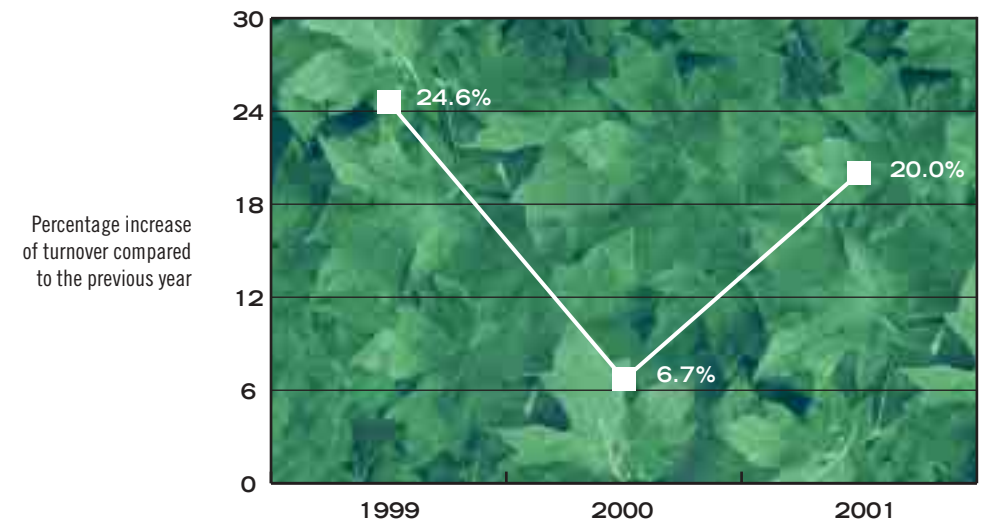
Thirty-seven companies, 75% of which had less than 25 employees, benefited from the services of Enviro-Access this year. More than 10% were in the initial stages of starting operations or pre-startup.

Important Economic Benefits*

- 148 new jobs;
- Increased annual turnover of \$39,860,000, for an average growth rate of 20%;
- Expenditures of \$10,745,000 for export development;
- Investment in R&D and capitalisation of \$27,947,000.

* According to a survey conducted among 20 out of 37 client companies in 2001-2002.

Growth in turnover of client companies over the last three years



Key Projects

Support for Resolution of Major Environmental Problems

The Enviro-Access team provided coordination of work worth about \$110,000 for the preparation of a feasibility study and a business plan for the creation of a technology development and demonstration centre to treat soils contaminated with dense liquids in a non-aqueous phase (DLNAP), in the Town of Mercier. The creation of such a centre would allow several thousand tonnes of soil and groundwater to be decontaminated and about 100 tonnes of hydrocarbons to be removed, in addition to stimulating the development and deployment of technology to other sites needing to deal with similar contamination problems world-wide. Investments required to start up this centre are \$262,000 in capital costs, \$775,000 in operating budgets for the first five years and more than \$5 million earmarked for specific projects.

Partners for the project are Environment Canada, Canada Economic Development, la *direction régionale de la Montérégie du Ministère de l'Environnement du Québec* and the Town of Mercier.



◀ Albert mines site, Eustis-Capelon mining complex, Hatley Township
After restoration, 2001

Coordination of a Working Group for the Development of a Sustainable Technological Solution

Since 1995, Enviro-Access has coordinated the efforts of a group of partners working on developing and perfecting technology for restoring mine sites, by using different types of byproducts from the pulp and paper industry.

A first phase of work worth about 1.3 million dollars was completed this year, out of an estimated total budget of 6 million dollars for the complete restoration of the Albert, Eustis and Capelon mine sites, in the Hatley Township.

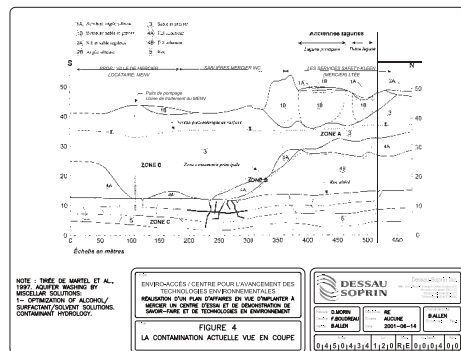


◀ Before restoration, 1995

contamination of surface and groundwaters. Levels of metals measured in local streams before the start of the project greatly exceeded criteria for the protection of aquatic life: 2,490 times for copper, 67 times for iron, 65 times for zinc, 41 times for cadmium and 25 times for lead. The project also allowed reuse of thousands of tonnes of paper-mill byproducts, which would otherwise be sent to sanitary landfill sites.

Among the partners involved in this project are members of the Cascades group, Ferti-Val, the *Ministère de l'Environnement du Québec*, the *Ministère des Ressources naturelles du Québec*, Environment Canada, Canada Economic Development, the *Université de Sherbrooke*, The S.M. Group, as well as the *Fondation des villages miniers de Capelon*.

Cross-section view of contaminated site
◀ Town of Mercier



◀ GSI Environnement's Composting and Waste Recovery Centre, Bury

Neutral Coordinator Able to Facilitate the Progress of Feasibility Studies and Projects Uniting Public and Private Stakeholders

As a support to GSI Environment and to the managers of Country Regional Municipalities (CRMs) in the Eastern Townships, Enviro-Access was able to put to profit its status as a neutral agent in facilitating the most sensitive steps of feasibility studies examining recovery systems for hazardous wastes and wastes originating from the institutional, commercial and industrial sectors. Meetings with municipal managers and the public, surveys conducted on the territory of the seven CRMs and the characterisation of wastes enabled the nature, the source and the quantities of different types of waste to be identified, including more than 10,000 tonnes of used oil, paints, solvents, chemicals and batteries.

In parallel and in conjunction with these two projects, Enviro-Access took part in establishing and procuring financing for Collectif Vert-Action, a civil society organisation which will work in the waste management sector of the Haut Saint-François CRM.



Promotion of Environmental Expertise and Technology

Promotion of environmental expertise and technology available in Quebec and Atlantic Canada is achieved principally through development and upkeep of Enviro-Access' Web site. Information is presented using company fact-sheets, technology fact-sheets and a listing of university expertise in research and development. In the past year alone, the site received 2,115,322 visits and the team responded to 224 requests for information by phone and e-mail.

Two new projects were undertaken to encourage the promotion of specific expertise, classed by sector of activity and by region.

Database for Canadian Environmental Software

Industry Canada mandated Enviro-Access to produce a database listing all Canadian environmental software. This information is available on Industry Canada's Strategis Web site and is intended to promote existing environmental software. A total of 187 software packages were identified and Enviro-Access obtained from each company a corporate résumé and a description of the applications for their software, offered in standard format in custom-made versions, or for internal use to support services offered in the environmental sector.

A regional profile was prepared in four languages (English, French, Spanish and Portuguese) to promote the environmental character of the region and of local contributors to this distinctive trait. It presents fact sheets on completed projects illustrating the wide range of integrated solutions which have been achieved in the region.

Various activities were organised aimed at providing participants with strategic information on the different opportunities offered in specific markets, and at creating a common synergistic approach to developing international business opportunities.

This project, with a budget of \$115,000 over two years, was made possible through the collaboration of Canada Economic Development, of Quebec's *Ministère de l'Industrie et du Commerce* through its *Décennie québécoise des Amériques* program and of the *Société de développement économique de Sherbrooke*.

Eastern Townships Sustainable Communities

Enviro-Access coordinated the implementation of a strategy aimed at assembling and supporting the know-how of companies and organisations capable of participating in sustainable urban development projects at an international level, thereby generating economic benefits for the Eastern Townships region.



◀ Diagram showing odour measurement methodology Odotech Inc.

▶ Detail from promotional document cover page Eastern Townships Sustainable Communities Project

Support in the First Stages of Start-Up of University Research Spin-Off Companies

Molecular tracing technology

In summer 2001, Enviro-Access was mandated by Lab_Bell to provide support to its management personnel in the development of its business plan and commercial strategy, as well as in its search for financing.

Founded in October 1999 by François Bellemare, Ph.D, Lab_Bell is a biotechnology company in the Mauricie region with its laboratories housed in the *Centre national en électrochimie et en technologies environnementales (CNETE)*, which is affiliated to the *Collège de Shawinigan*. The firm specialises in the design and development of rapid tracing methods for bio-active molecules occurring in antibiotics, pesticides, hormones, viruses, toxins and other toxic substances found in body fluids, food and water.

Technology for Measuring and Controlling Odours

Odotech benefited from strategic support provided by Enviro-Access in preparing its business plan, producing a development strategy, identifying business partners and completing a first round of financing.

Odotech is a company that came into being through development of new technologies for quantifying odours at the *École Polytechnique de Montréal*. It offers integrated solutions for managing odour problems. Odotech's instrumentation and software make it possible to measure and quantify the impact of odours, thereby facilitating the application of quantitative norms for odour and the setting of quality control standards relative to odours generated by products and processes. Olfactory nuisance levels can thereby be reduced in the vicinity of various industrial or agricultural facilities.



◀ Business Matchmaking Service Pollutec 2001, Paris

EnviroExpo 2001

EnviroExpo is held each year in Boston, Massachusetts and brings together various actors from the different sectors of the environmental industry. Last year, this show took place from May 8-10, and drew about 250 exhibitors and more than 7,000 visitors. During this 13th edition, Enviro-Access organised business meetings for ten Canadian firms from the Atlantic Region. A total of 40 meetings were held. Nine of the participating companies expect to continue exchanges with at least one of the contacts that they made in the course of this activity which was conducted thanks to the collaboration of the Atlantic Canada Opportunities Agency. Four participants have already obtained contracts amounting to several hundred thousand dollars.

Pollutec 2001

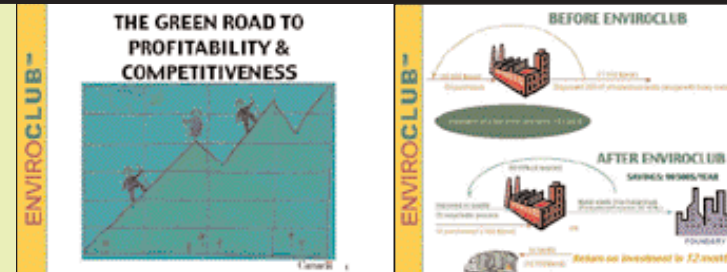
The 17th *Salon international des équipements, des technologies et des services de l'environnement, Pollutec 2001*, was held in Paris, France, December 4-7. With Réseau Environnement providing coordination, six Quebec businesses, two from Ontario and one from the Atlantic Region were recruited to form the Canadian delegation. Enviro-Access organised the Business Matchmaking Service for six of these participants during the event which drew more than 40,000 visitors.

Forty-one targeted business meetings were held with the aim of giving participants the opportunity to assess the European market and compare their level of technological advancement, and to identify potential business partners. All the businesses which took part in the Matchmaking Program were very satisfied with their meetings and with the contacts they made at the show. Partnership agreements and collaborative ventures are now being negotiated.

Effective Intermediary for Identifying Potential Partners and Clients at International Shows

Creating Awareness of Japanese Market Opportunities

The *Ministère de l'Industrie et du Commerce du Québec* and JETRO (Japan External Trade Organisation) enlisted Enviro-Access' services to promote the Japanese market to Quebec companies. Two activities were organised in this regard. Eleven industrialists gathered on September 19, 2001 to discuss their interest in the Japanese market, the real or perceived difficulties experienced in developing business in Japan and the kinds of support recommended to improve their chances of success. On October 4, 2001, 12 industrialists participated in a seminar that explored the Japanese market, its culture and the environmental sector. These two activities helped to raise awareness among businesses of this very promising market and to recruit participants for a mission to the *Environment Japan 2001* trade show, which was held November 27-30, 2001 in Chiba, Japan.



Coordination of the Delivery of Government Programs Encouraging Action by SMEs to Attain Pollution Prevention and Sustainable Development Objectives

EnviroclubSM Program

The EnviroclubSM program is offered to manufacturing SMEs in Quebec in order to heighten their awareness with respect to pollution prevention and environmental management as means to improving profitability and competitiveness.

About fifteen companies in a given region come together four times for one day workshops and receive 90 hours of individual project support from expert technical consultants in order to put into effect a pollution prevention or energy efficiency project in their plant.

The projects accomplished through the EnviroclubSM program lead notably to a reduction in energy consumption by participating businesses, thereby reducing their greenhouse gas emissions. Certain

projects also achieve a reduction of raw material input and increased production. The results are thus both very advantageous to the environment and to the companies' competitiveness.

Until now, three clubs have been formed in Quebec. The EnviroclubSM program is funded by Canada Economic Development and the National Research Council's IRAP Program, with Environment Canada providing technical and scientific support. Enviro-Access was given the mandate of coordinating the organisation of one EnviroclubSM during the past winter (2001-2002) and is currently taking steps to become the program coordinator until 2004.

◀ Example of an In-Plant Project Stemming from the EnviroclubSM Program Workshops

Assistance with the Process of Obtaining Public Funding

Through their collaboration with the Enviro-Access team, several businesses have gained a greater understanding and awareness of available government funding programs. This has allowed them to more easily target the programs which are best suited to their projects and to prepare more complete financing applications, thereby achieving results in less time and with less effort.

The Enviro-Access Team

Financial Statements



Manon Laporte, B. Sc., M.B.A.
President and CEO



Thomas D. Ryan, P. Eng.
Project Director



Alain Berrouard, M. Sc.
Project Agent



Madeleine Poisson
Administrative Assistant



Danielle Gélinas
Secretary

Sherbrooke Head Office

Andrew-Paton Place
85 Belvédère Street North, Suite 150
Sherbrooke QC J1H 4A7
Telephone: (819) 823-2230
Fax: (819) 823-6632
E-mail: enviro@enviroaccess.ca
Web Site: www.enviroaccess.ca



François Roberge, P. Eng., M. Sc.
Project Director



Normand Gadoury, P. Eng.
Project Director

Montréal

225 Président-Kennedy Avenue
Suite 2152
Montréal QC H2X 3Y8
Telephone: (514) 284-5794
Fax: (514) 284-6034
E-mail: enviro@enviroaccess.ca
Web Site: www.enviroaccess.ca



Anne-Marie Bourgeois, B. Sc., B. Sc. Soc.
International Project Director



Anne Samson, M. Sc.
Project Agent



Pierre Lamarre, P. Eng., M.B.A.
Industrial Technology
Advisor NRC-IRAP

Auditors' Report

To the Directors of Enviro-Access Inc.

We have audited the balance sheet of Enviro-Access Inc. as at March 31, 2002 and the statements of income and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sandra Pilon / Sylvette Gauthier
Chartered Accountants

May 8, 2002

Balance Sheet as at March 31, 2002

	2002	2001
Assets		
<i>Current</i>		
Cash	\$ 62 575	\$ 56 110
Short-term investments	286 426	301 063
Accounts receivable	419 404	373 850
Prepaid expenses	17 479	12 125
	785 884	743 148
CAPITAL ASSETS	61 632	71 244
	\$ 847 516	\$ 814 392
Liabilities		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 286 307	\$ 198 336
Deferred revenue	111 425	75 834
	397 732	274 170
ACCUMULATED SURPLUS	449 784	540 222
	\$ 847 516	\$ 814 392

Financial Statements

Statement of Income and Accumulated Surplus Year ended March 31, 2002

	2002	2001
Revenue		
Environment Canada	\$ 450 000	\$ 500 000
Fees	754 732	678 381
Contributions	193 879	584 943
Interest	10 561	10 135
Other revenue	10 155	8 526
	1 419 327	1 781 985
Direct expenses		
Subcontractors	483 666	740 292
Travel expenses	18 508	29 614
Miscellaneous expenses	15 519	3 496
	517 693	773 402
NET INCOME	901 634	1 008 583
Expenses		
Salaries, bonuses and fringe benefits	690 771	625 090
Consultant fees	88 050	101 324
Insurance	11 049	12 102
Communication	25 872	30 796
Conventions, training and seminars	2 952	6 809
Memberships and associations	3 108	2 186
Bad debts	29 009	16 008
Bank charges	622	568
Travel expenses	20 187	23 204
Entertainment expenses	10 201	13 577
Rent	44 084	39 187
Office supplies and stationery	15 670	24 378
Advertising	19 402	17 068
Loss on sale of capital assets	204	-
Taxes and permits	6 320	9 177
Amortization		
- Computers and software	12 616	13 084
- Office equipment	5 626	5 835
- Leasehold improvements	6 329	6 329
	992 072	946 722
EXCESS OF REVENUE OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUE)	(90 438)	61 861
ACCUMULATED SURPLUS, BEGINNING OF YEAR	540 222	478 361
ACCUMULATED SURPLUS, END OF YEAR	\$ 449 784	\$ 540 222