

**PATHFINDER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

1. **INCORPORATION**

PATHFINDER INVESTMENTS LIMITED is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

(i) Quoted investments at Market Value are based on the market value at 31st December 2000. Resulting increase/decrease in market values of investments and gains or losses on disposals of investments the rate ruling on that date. Unquoted Investments are valued at cost and are translated using the exchange are dealt with in the profit and loss account.

(ii) Quoted investments at cost and unquoted investments are carried at cost and are translated into US Dollars at the rate of exchange ruling at the time of purchase.

The directors are of opinion, that there has been no permanent diminution in value of the above investments.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities with the exception of unquoted investments expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

4. **INVESTMENTS**

	<b><u>Quoted</u></b> <b><u>Investments</u></b> <b><u>@ Cost</u></b> <b><u>USD</u></b>	<b><u>Quoted</u></b> <b><u>Investments</u></b> <b><u>@ Market Value</u></b> <b><u>USD</u></b>	<b><u>Associate</u></b> <b><u>Unquoted</u></b> <b><u>Investments</u></b> <b><u>USD</u></b>	<b><u>TOTAL</u></b>  <b><u>USD</u></b>
Balance at 1st January 2000	7,825,104	26,631	6,308,250	14,159,985
Additions for the year	-	-	4,819,535	4,819,535
Less Disposal for the year	<u>(7,629,476)</u>	<u>-</u>	<u>-</u>	<u>(7,629,476)</u>
	195,628	26,631	11,127,785	11,350,044
Loss on Revaluation of Investments	<u>-</u>	<u>(54)</u>	<u>-</u>	<u>(54)</u>
Balance at 31st December 2000	<u>195,628</u>	<u>26,577</u>	<u>11,127,785</u>	<u>11,349,990</u>

**PATHFINDER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**UNQUOTED INVESTMENT (INVESTMENT IN ASSOCIATES)**

The unquoted investments represent investment in **Associated Companies** which are valued at cost at 31st December 2000.

Details of companies in which Pathfinder Investments Limited holds more than 10% Interest: -

<u>Name of Company</u>	<u>Type of Share</u>	<u>% Held 2000</u>	<u>% HELD 1999</u>	<u>2000 USD</u>	<u>1999 USD</u>
Euro Offshore Investment Ltd	Ordinary	38.20%	38.20%	1,308,200	1,308,200
Euro Allied Limited	Ordinary	50%	50%	1,250,000	1,250,000
Buying Experience Ltd	Ordinary	50%	50%	1,250,000	1,250,000
Ways Inc.	Ordinary	50%	50%	2,500,050	2,500,050
Ways India Ltd	Ordinary	3%	-	4,819,535	-

**5. TRADE AND OTHER RECEIVABLES**

Loan to Related Undertakings	7,276,820	789,003
Sundry Debtors	1,499	-
	<u>7,278,319</u>	<u>789,003</u>

The loan given to a Related Undertakings is interest free unsecured with no repayment schedule.

**6. TRADE AND OTHER PAYABLES**

	<u>2000 USD</u>	<u>1999 USD</u>
Amount due to Related Party	2,863,963	2,500,000
Interest Payable	926,395	230,096
Accruals	7,150	2,250
	<u>3,797,508</u>	<u>2,732,346</u>

**7. SHARE CAPITAL**

**Authorised**

5,000,000 Ordinary Shares of USD 1 each	<u>5,000,000</u>	<u>5,000,000</u>
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**Issued**

502 Ordinary Shares of USD 1 each	<u>502</u>	<u>502</u>
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**8. BORROWINGS**

**Non-Current**

Loan from Associated Companies	8,897,767	10,324,913
Loan from Third Parties	4,819,990	3,680,000
	<u>13,717,757</u>	<u>14,004,913</u>

Loan from Associated Companies carries interest at the rate of 7% per annum on the principal amount of USD 1,375,700 only and is unsecured, with no fixed repayment schedule.

Loan from Third Parties carries interest at 2% per month on a principal amount of USD 2,500,000 only.

**PATHFINDER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

9. **OPERATING PROFIT/(LOSS)**

	<u>2000</u>	<u>1999</u>
	<u>USD</u>	<u>USD</u>
Operating Profit/(Loss) is arrived at: <b>after Crediting</b>		
Profit on disposal of shares	3,741,398	824
Dividend Receivable	1,696	408
Interest Received	976	-
	-	-
<b>and Charging</b>		
Directors' fees	1,000	1,000
Administrative Expenses	2,590	3,094
Commission paid	110,000	-
Audit fee	1,500	1,000
Loss on Revaluation of Investments	54	1,426
Exchange Rate Difference	31,177	-
Service Charges	-	23,332
	-	23,332
10. <b><u>FINANCE COSTS</u></b>	<u>2000</u>	<u>1999</u>
	<u>USD</u>	<u>USD</u>
Interest payable	696,299	450,000
	696,299	450,000

11. **TAXATION**

The company has been established as an "Offshore Company" under the Mauritius Offshore Business Activities Act 1992 and has opted for a zero rate of tax for the year ended 31st Decembe 2000.

12. **EARNINGS/(LOSS) PER SHARE**

Earnings per share is based on the Profit for the year of USD 2,901,450 ( 1999: Loss of USD 478,620) and 502 shares being the number of shares issued for both years.

13. **CONTINGENT LIABILITY**





**Pathfinder Investments Limited**

**Statement showing receipts & payments from 1/1/01 to 31/12/01**

<b>Receipts</b>	
Discover Investments Ltd	1,710,950
	<b>1,710,950</b>
<b>Payments</b>	
Guru Inc	1,698,082
Nasir Meghani	12,766
Bank Charges	180
	<b>1,711,028</b>
Op Balance as at 1/1/01	108
Balance as at 31/12/01	<b>30</b>

**PATHFINDER INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**

	<u>NOTES</u>	<u>2000</u> <u>USD</u>	<u>1999</u> <u>USD</u>
Operating Income		-	3,744,070
Operating Expenses		(430,000)	(146,321)
<b>Operating Profit/(Loss)</b>	9	<u>(430,000)</u>	<u>3,597,749</u>
Finance Costs	10	(450,000)	(696,299)
<b>Profit/(Loss) before tax</b>		<u>(880,000)</u>	<u>2,901,450</u>
Tax	11	<u>-</u>	<u>-</u>
<b>Profit/(Loss) after tax</b>		(880,000)	2,901,450
Transfer from retained loss		1,113,203	(1,788,247)
<b>Profit/(Loss) retained for the year</b>		<u><u>233,203</u></u>	<u><u>1,113,203</u></u>

**PATHFINDER INVESTMENTS LIMITED**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2000**

	<u>NOTES</u>	<u>2000</u> <u>USD</u>	<u>1999</u> <u>USD</u>
<b>ASSETS EMPLOYED</b>			
<b>Non-Current Assets</b>			
Investments	4	11,350,174	11,349,990
Fixed Assets(net off Depreciation )		1,273,082	
<b>CURRENT ASSETS</b>			
Trade and other receivables	5	5,567,368	7,278,318
Cash at Bank		584	662
		<u>5,567,952</u>	<u>7,278,980</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	4,247,508	3,797,508
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		1,320,444	3,481,472
		<u>13,943,700</u>	<u>14,831,462</u>
<b>FINANCED BY:</b>			
<b>Capital and Reserves</b>			
Share Capital	7	502	502
Retained earnings/(loss)		238,207	1,113,203
		<u>238,709</u>	<u>1,113,705</u>
<b>Non-Current Liabilities</b>			
Borrowings	8	13,704,991	13,717,757
		<u>13,943,700</u>	<u>14,831,462</u>

**Break up of the Investments**

	USD	
EDTV	1,308,200	38.50%
Euro Allied Ltd	1,250,000	50%
Buying Experience Ltd	1,250,000	50%
Ways Inc	2,500,050	50%
Ways India Ltd	4,819,535	2.84%
Home Trade Ltd	222,389	0.08%
	<u>11,350,174</u>	

**Break up of the Trade & Other payable**

Accruals	7,150
Intercompany payable ( Balram Chainrai)	1,280,096
Interest on loan to Euro Allied Ltd	96,299
Discover Investments Ltd	363,963
Ways Inc	2,500,000
	<u>4,247,508</u>

**Break up of the borrowings**

Balram Chainrai	3,680,000
Nasir Meghani	927,224
Buying Experience Ltd	1,386,514
Euro Allied Ltd	1,375,700
EDTV Ltd	6,335,552
	<u>13,704,991</u>

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DISCOVER INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1999

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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**DISCOVER INVESTMENTS LTD**

I have audited the financial statements on pages 2 to 8.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from the material misstatements whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

The accounts have been prepared under the going concern basis and this presumes that funds will be made available by the shareholders and or the creditors to finance the operations of the company. Should this not be the case the company may not be considered as a going concern.

**Opinion**

Subject to the above, in my opinion, the financial statements give a true and fair view of the state of the company's affairs at March 31st, 1999 and of the loss and cash flows for the period ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.



**JOSE THIBAUT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: 18 APR 2001

Port Louis,  
Republic of Mauritius.

**DISCOVER INVESTMENTS LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD FROM 01 JANUARY 1998 TO 31 MARCH 1999**

	<u>15 Months</u> <u>Ended 31st</u> <u>March</u> <u>1999</u> <u>USD</u>	<u>12 Months</u> <u>Ended 31st</u> <u>December</u> <u>1997</u> <u>USD</u>
<u>NOTES</u>		
<b><u>INCOME</u></b>		
Investment Income	71,822	20,060
Profit on Sale of Investments	-	66,516
Other Income	-	60,293
	<u>71,822</u>	<u>146,869</u>
<b><u>LESS: EXPENDITURE</u></b>		
Directors' Fees	1,000	1,000
Finance Charges	593,723	632,740
Administrative Expenses	3,515	4,889
Loss on Revaluation of Investments	66,432	119,383
Loss on Sales of Investments	13,176	-
Audit Fees	2,000	2,000
Depreciation of Fixed Assets	3,971	3,176
Bad Debts	211,142	-
Miscellaneous Expenses	23,012	-
	<u>917,971</u>	<u>763,188</u>
<b><u>NET LOSS FOR THE PERIOD BEFORE TAXATION</u></b>	(846,149)	(616,319)
<b><u>TAXATION</u></b>	(10)	(616)
<b><u>NET LOSS FOR THE AFTER TAXATION</u></b>	<u>(846,696)</u>	<u>(616,935)</u>
<b><u>RETAINED LOSS BROUGHT FORWARD</u></b>	(1,597,630)	(980,695)
<b><u>RETAINED LOSS CARRIED FORWARD</u></b>	<u>(2,444,326)</u>	<u>(1,597,630)</u>

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**DISCOVER INVESTMENTS LTD**  
**BALANCE SHEET**  
**AS AT 31 MARCH 1999**

<b><u>ASSETS EMPLOYED</u></b>	<b><u>NOTES</u></b>	<b><u>At 31st March 1999 USD</u></b>	<b><u>At 31st December 1997 USD</u></b>
<b>Non Current Assets</b>			
Fixed Assets	4	8,624	12,595
Investments	5	1,011,180	1,269,031
Investments in Associated company	6	1,662,400	-
		<u>2,682,204</u>	<u>1,281,626</u>
<b>Current Assets</b>			
Debtors		1,101,460	1,074,034
Cash and Bank Balances		2,335	1,014,695
		<u>1,103,795</u>	<u>2,088,729</u>
<b>Current Liabilities</b>			
Unsecured Loans	7	3,225,000	3,335,000
Sundry Creditors	8	2,550,050	1,613,783
Accruals		454,275	18,202
		<u>6,229,325</u>	<u>4,966,985</u>
<b>Net Current Liabilities</b>		<u>(5,125,530)</u>	<u>(2,878,256)</u>
<b>Net Assets</b>		<u>(2,443,326)</u>	<u>(1,596,630)</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>	9	1,000	1,000
<b><u>PROFIT AND LOSS ACCOUNT</u></b>		<u>(2,444,326)</u>	<u>(1,597,630)</u>
		<u>(2,443,326)</u>	<u>(1,596,630)</u>

These accounts have been approved by the Board of Directors on... **22 FEB 2001**

  
 .....  
 DIRECTOR

  
 .....  
 DIRECTOR

**DISCOVER INVESTMENTS LTD**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 1999**

	<u>At 31st</u> <u>March</u> <u>1999</u> <u>USD</u>	<u>At 31st</u> <u>December</u> <u>1997</u> <u>USD</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net (Loss) for the period before taxation	(846,149)	(616,319)
Adjustment for:		
Depreciation	3,971	3,176
Loss on revaluation of investments	66,432	119,383
Foreign Exchange difference on investments	88,323	129,991
Non - Cash items	-	15,190
Loss /(Profit) on sale of investments	13,176	(66,516)
<b>Operating (loss) before working capital changes</b>	<u>(674,247)</u>	<u>(415,095)</u>
Decrease/(Increase) in debtors	422,574	(756,731)
(Decrease) in unsecured loans	(110,000)	(100,000)
Increase/(Decrease) in sundry creditors	936,267	(33,013)
Increase/(Decrease) in accruals	436,073	(134,290)
<b>Cash generated from operations</b>	<u>1,010,667</u>	<u>(1,439,129)</u>
Tax paid	(547)	(616)
<b>Net Cash from/(used in) operating activities</b>	<b>A</b> <u>1,010,120</u>	<u>(1,439,745)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments	(2,138,522)	(836,772)
Proceeds from sale of investments	116,042	766,363
<b>Net cash used in investing activities</b>	<b>B</b> <u>(2,022,480)</u>	<u>(70,409)</u>
<b>Net (Decrease) in cash &amp; cash equivalents</b>	<b>(A+B)</b> (1,012,360)	(1,510,154)
Cash and cash equivalents at beginning of the period	1,014,695	2,524,849
<b>Cash and cash equivalents at end of the period</b>	<u>2,335</u>	<u>1,014,695</u>

**DISCOVER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 1999**

**1. INCORPORATION**

Lloyds Securities Overseas Limited is an Offshore Company incorporated on 14 October 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

**2. NATURE OF ACTIVITIES**

The main object of the Company is to carry on business of investment in shares, bonds and other securities in India.

**3. ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:-

(a) **Basis of Accounting**

The accounts are prepared under the historical cost convention as modified by the revaluation of investments.

(b) **Income and Expenditure Recognition**

Investment Income in the profit and loss account includes Indian withholding taxes. Other Income and Expenditure are accounted for on an accrual basis.

(c) **Depreciation**

Depreciation is calculated to write off the cost of tangible Fixed Assets on a straight line basis over their expected useful lives.

The principal annual rates used are:-

Office equipment	- 20% per annum
Furniture and fixtures	- 15% per annum

(d) **Valuation of Investments**

Quoted investments are valued at markets prices at 31st March 1999 and converted in US Dollars using the exchange rate ruling at the balance date. Quoted investments at cost are being carried at their carrying value at 31st December 1997 as these shares have temporarily stopped dealing on the Stock Exchange.

Unquoted investments are valued at cost. Investments held in currencies other than the reporting currency are translated at the rate of exchange ruling at the Balance Sheet date.

Resulting decreases in market values of Investments and gains or losses on disposals of investments are dealt with through the profit and loss account.

(e) **Foreign Currency Transactions**

Transactions in Foreign Currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and Liabilities expressed in Foreign Currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting Profit or Loss is taken to the Profit and Loss Account.

**DISCOVER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 1999**

4. **FIXED ASSETS**

	<b><u>TOTAL</u></b> <b><u>USD</u></b>	<b><u>OFFICE</u></b> <b><u>EQUIPMENT</u></b> <b><u>USD</u></b>	<b><u>FURNITURE</u></b> <b><u>&amp; FIXTURES</u></b> <b><u>USD</u></b>
<b>COST</b>			
At 1st January 1998	18,947	6,687	12,260
At 31st March 1999	18,947	6,687	12,260
<b>DEPRECIATION</b>			
At 1st January 1998	6,352	2,674	3,678
Charge for the period	3,971	1,672	2,299
At 31st March 1999	10,323	4,346	5,977
<b>NET BOOK VALUE</b>			
At 31st March 1999	8,624	2,341	6,283
At 31st December 1997	12,595	4,013	8,582

5. **INVESTMENTS**

	<b><u>TOTAL</u></b> <b><u>USD</u></b>	<b><u>QUOTED SHARES</u></b> <b><u>&amp; DEBENTURES</u></b> <b><u>USD</u></b>	<b><u>QUOTED</u></b> <b><u>SHARES</u></b> <b><u>@ COST</u></b> <b><u>USD</u></b>	<b><u>SUBSIDIARY</u></b> <b><u>USD</u></b>
Balance @ 1st January 1998	1,269,031	1,236,137	32,889	5
Additions for the period	26,122	26,122	-	-
Disposals for the period	(129,218)	(129,213)	-	(5)
Loss on Revaluation of Investments	(66,432)	(66,432)	-	-
Transfer from :				
• Quoted share @ market value to quoted share @ cost	-	(132,068)	132,068	-
• Quoted share @ cost to quoted @ market value	-	12,788	(12,788)	-
Exchange loss	(88,323)	(76,784)	(11,539)	-
<b><u>BALANCE @ 31ST MARCH 1999</u></b>	<b><u>1,011,180</u></b>	<b><u>870,550</u></b>	<b><u>140,630</u></b>	<b><u>-</u></b>

**DISCOVER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 1999**

**6. INVESTMENT IN ASSOCIATED COMPANY**

	<u>1999</u>
	<u>USD</u>
Balance at 01 January 1998	-
Addition for the period	2,112,400
Disposal for the period	<u>(450,000)</u>
Balance at 31 March 1999	<u><u>1,662,400</u></u>

The principal associated company is as follows:

	<u>COUNTRY OF</u> <u>INCORPORATION</u>	<u>% HOLDING</u>	
		<u>1999</u>	<u>1997</u>
Euro Discover Technology Ventures Limited	Mauritius	48.5%	-

**7. UNSECURED LOANS**

These represent unsecured loans with no fixed repayment schedule. Interest has been calculated up to 31 March 1999 on these loans.

**8. SUNDRY CREDITORS**

	<u>1999</u>	<u>1997</u>
	<u>USD</u>	<u>USD</u>
Other Payables	918,941	-
Deposit received from clients	<u>1,631,063</u>	<u>1,613,783</u>
	<u><u>2,550,004</u></u>	<u><u>1,613,783</u></u>

**9. SHARE CAPITAL**

**Authorised**

10,000 Ordinary Shares of USD 1 each

<u>At 31st</u> <u>March</u>	<u>At 31st</u> <u>December</u>
<u>1999</u>	<u>1997</u>
<u>USD</u>	<u>USD</u>
<u><u>10,000</u></u>	<u><u>10,000</u></u>

**Issued and Paid Up**

1,000 Ordinary Shares of USD 1 each

<u><u>1,000</u></u>	<u><u>1,000</u></u>
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**DISCOVER INVESTMENTS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 1999**

10. **TAXATION**

The company has been established as an 'Offshore Company' under the Mauritius Offshore Business Activities Act 1992 and has opted for a zero rate of tax for the year ended 31st March 1999. Amounts included in the profit and loss account represents Withholding Tax suffered on Investment income received.

11. **ACCOUNTING REFERENCE DATE**

The company has change its accounting reference date to 31st March of each year.

*[Faint handwritten notes in red ink, possibly indicating a signature or date, are visible below the text.]*

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**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**

**Formerly known as**

**EURO OFFSHORE INVESTMENTS LIMITED**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

**DECEMBER 31, 1999**

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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**  
**Formerly known as**  
**EURO OFFSHORE INVESTMENTS LIMITED**

I have audited the financial statements on pages 2 to 8.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Group Accounts**

I draw attention to note 16 in the financial statements regarding non-presentation of Group Accounts.

**Opinion**

Subject to the above, in my opinion, the financial statements give a true and fair view of the state of the company's affairs at December 31<sup>st</sup>, 1999 and of its profit and cash flows for the period ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

**JOSÉ THIBAUT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date:

Port Louis,  
Republic of Mauritius.

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**  
**Formerly known as**  
**EURO OFFSHORE INVESTMENTS LIMITED**

**BALANCE SHEET**  
**AT DECEMBER 31, 1999**

<b><u>ASSETS EMPLOYED</u></b>	<b><u>NOTES</u></b>	<b><u>DECEMBER 31ST</u></b>	<b><u>MARCH 31ST</u></b>
		<b><u>1999</u></b>	<b><u>1999</u></b>
		<b><u>USD</u></b>	<b><u>USD</u></b>
<b>Non-current Assets</b>			
Investments	4	<u>17,719,967</u>	<u>22,393,926</u>
<b>Current Assets</b>			
Trade and other receivables	5	13,932,197	530,729
Cash at Bank		508,179	2,140
		<u>14,440,376</u>	<u>532,869</u>
<b>Current Liabilities</b>			
Trade and other payables	6	<u>2,000</u>	<u>358,097</u>
		<u>2,000</u>	<u>358,097</u>
<b>Net Current Assets</b>			
		14,438,376	174,772
		<u>32,158,343</u>	<u>22,568,698</u>
<b><u>FINANCED BY:</u></b>			
<b>Capital and Reserves</b>			
Share Capital	7	3,421,600	3,421,600
Retained Earnings		18,679,804	7,556,159
Revaluation Reserve	8	10,055,389	10,055,389
		<u>32,156,793</u>	<u>21,033,148</u>
<b>Non-Current Liabilities</b>			
Borrowings	9	1,550	1,535,550
		<u>32,158,343</u>	<u>22,568,698</u>

These accounts have been approved by the Board of Directors on .....



.....  
DIRECTOR



.....  
DIRECTOR

Notes on pages 5 to 8 form part of these accounts.

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**  
**Formerly known as**  
**EURO OFFSHORE INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED DECEMBER 31, 1999**

		<u>DECEMBER 31ST</u>	<u>MARCH 31ST</u>
		<u>1999</u>	<u>1999</u>
	<u>NOTES</u>	<u>USD</u>	<u>USD</u>
Revenue		11,597,713	62,881
Operating expenses		(204,068)	(4,605)
<b>Operating Profit</b>	<b>10</b>	11,393,645	58,276
Finance costs	<b>11</b>	(270,000)	(386,902)
<b>Profit/(Loss) before tax</b>		11,123,645	(328,626)
Tax	<b>12</b>	-	-
<b>Profit/(Loss) after tax</b>		11,123,645	(328,626)
Extraordinary Item	<b>13</b>	-	8,093,211
		11,123,645	7,764,585
Transfer from Retained Earnings		7,556,159	(208,426)
<b>Profit Retained for the year</b>		18,679,804	7,556,159
Earnings/(Loss) per share	<b>14</b>	3.25	(0.02)

Notes on pages 5 to 8 form part of these accounts.

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**

Formerly known as

**EURO OFFSHORE INVESTMENTS LIMITED****CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED DECEMBER 31, 1999**

	<u>NOTES</u>	<u>DECEMBER</u> <u>1999</u> <u>USD</u>	<u>MARCH</u> <u>1999</u> <u>USD</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net profit/(loss) for the period		11,123,645	(328,626)
<b>Adjustments for:</b>			
Profit on sale of Investments		(11,416,777)	-
<b>Operating loss before working capital changes</b>		(293,132)	(328,626)
Movements in Debtors		(13,401,368)	(488,645)
Movements in Trade and other Payable		(356,097)	275,629
<b>Net cash flows used in operating activities</b>	<b>A</b>	(14,050,597)	(541,642)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in Funds placed in Fixed Deposits		-	3,070,285
Disposal of Investments		31,408,219	-
Purchase of Investments		(15,317,583)	(4,245,326)
<b>Net cash flows from/(used in) Investing Activities</b>	<b>B</b>	16,090,636	(1,175,041)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from Issue of shares		-	1,933,825
Repayment of shareholder's loan		-	(1,100)
Repayment of other loans		(1,534,000)	(216,000)
<b>Net cash inflows (used in)/from financing activities</b>	<b>C</b>	(1,534,000)	1,716,725
<b><u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	506,039	42
Cash and cash equivalents at beginning of the period		2,140	2,098
Cash and cash equivalents at end of the period		508,179	2,140
<b><u>CASH AND CASH EQUIVALENTS</u></b>			
Cash at bank		1,206	2,140
Deposits		506,973	-
		508,179	2,140

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**

**Formerly known as**

**EURO OFFSHORE INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD ENDED DECEMBER 31, 1999**

1. **INCORPORATION**

Euro Discover Technology Ventures Limited formerly known as Euro Offshore Investments Limited is an Offshore Company incorporated on 29th January, 1997 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992. The company has by a special resolution changed its name on 23rd December 1999.

2. **NATURE OF ACTIVITIES**

The main object of the company is to invest in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The financial statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention.

(c) **Income and Expenditure Recognition**

Income and expenditure are accounted for on an accrual basis.

(d) **Investments**

Quoted Investments are stated at Revalued amount and are converted into US Dollar at the rate of exchange ruling at the date of transaction. Unquoted investments are carried at cost and are translated into US Dollars at the rate of exchange ruling at the date of purchase. The directors are of opinion that there has been no permanent diminution in value of the unquoted investments.

(e) **Foreign Currency Transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities, with the exception of Investments, expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED****Formerly known as****EURO OFFSHORE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 1999**

4. <b><u>INVESTMENTS</u></b>	<b><u>Quoted</u></b> <b><u>Investments</u></b>	<b><u>Unquoted</u></b> <b><u>Investments</u></b>	<b><u>Total</u></b> <b><u>1999</u></b> <b><u>USD</u></b>
Cost at beginning of period	12,393,827	10,000,100	22,393,927
Additions during the period	6,457,720	8,859,861	15,317,581
Disposals during the period	<u>(9,991,441)</u>	<u>(10,000,100)</u>	<u>(19,991,541)</u>
Balance @ 31st December 1999	<u>8,860,106</u>	<u>8,859,861</u>	<u>17,719,967</u>

The market value of the Quoted Investments at 31st December 1999 was USD 116,357,264.

Details of companies in which Euro Discover Technology Ventures Limited holds more than 10% interest:

<b><u>NAME OF COMPANY</u></b>	<b><u>% Held</u></b> <b><u>December 31</u></b> <b><u>1999</u></b>	<b><u>% Held</u></b> <b><u>March 31</u></b> <b><u>1999</u></b>	<b><u>Types of</u></b> <b><u>Shares</u></b>	<b><u>Place of</u></b> <b><u>Incorporation</u></b>
Euro Discover LTD	-	100%	Ordinary	United Kingdom
Euro Allied Limited	-	100%	Ordinary	Hong Kong
Ways Inc	-	100%	Ordinary	U.S.A
Euro Asian Securities Limited - Direct	41.32%	40.94%	Ordinary	India
Euro Asian Securities Limited - Indirect	-	33.39%	Ordinary	India
Braintree Investments & Trading Pvt Ltd	99.99%	-	Ordinary	India
Buy Everything Company Ltd	40%	-	Ordinary	India
Tellme Company Ltd	25%	-	Ordinary	India
Ways India Ltd	40%	-	Ordinary	India

5. <b><u>TRADE AND OTHER RECEIVABLES</u></b>	<b><u>December</u></b> <b><u>1999</u></b> <b><u>USD</u></b>	<b><u>March</u></b> <b><u>1999</u></b> <b><u>USD</u></b>
Amounts due from Subsidiary Companies	-	55,971
Amounts due from Associated Companies	13,691,294	24,758
Amounts due from Third Party	240,903	450,000
	<u>13,932,197</u>	<u>530,729</u>

6. <b><u>TRADE AND OTHER PAYABLES</u></b>	<b><u>December</u></b> <b><u>1999</u></b> <b><u>USD</u></b>	<b><u>March</u></b> <b><u>1999</u></b> <b><u>USD</u></b>
Accruals	2,000	1,000
Interest payable	-	357,097
	<u>2,000</u>	<u>358,097</u>

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**

Formerly known as

**EURO OFFSHORE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 1999**

7. <b><u>SHARE CAPITAL</u></b>	<b><u>31ST DECEMBER</u></b> <b><u>1999</u></b> <b><u>USD</u></b>	<b><u>31ST MARCH</u></b> <b><u>1999</u></b> <b><u>USD</u></b>
<b><u>Authorised</u></b>		
5,000,000 Ordinary Shares of USD 1 each	5,000,000	5,000,000
<b><u>Issued</u></b>		
3,421,600 Ordinary shares of USD 1 each	3,421,600	3,421,600
8. <b><u>REVALUATION RESERVE</u></b>		
This represents the surplus arising on Revaluation of existing shares in Euro Asian Securities Limited .		
9. <b><u>BORROWINGS</u></b>		
The shareholder's loan is unsecured, interest free and with no fixed repayment schedule.		
10. <b><u>OPERATING PROFIT</u></b>	<b><u>31ST DECEMBER</u></b> <b><u>1999</u></b> <b><u>USD</u></b>	<b><u>31ST MARCH</u></b> <b><u>1999</u></b> <b><u>USD</u></b>
Operating profit is arrived at after:		
<b>Crediting</b>		
Interest received	44	62,881
Dividend received	180,892	-
Profit on Disposal of shares	11,416,777	-
<b>and Charging</b>		
Directors fees	500	500
Administrative Expenses	193,298 -9	3,105 -9
Audit and Accounting fees	2,000	1,000
Provision for Bad Debts	5,000	-
Exchange loss	3,270	-
11. <b><u>FINANCE COSTS</u></b>		
Interest Expenses	270,000	386,902
12. <b><u>TAXATION</u></b>		

The company has been established as an "Offshore Company" under the Mauritius Offshore Business Activities Act 1992 and has opted for a zero rate of taxation for the period ended 31st December 1999.

**EURO DISCOVER TECHNOLOGY VENTURES LIMITED**

Formerly known as

**EURO OFFSHORE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 1999**

	<b><u>31ST MARCH</u></b>
	<b><u>1999</u></b>
	<b><u>USD</u></b>
13. <b><u>EXCEPTIONAL ITEM (31ST MARCH 1999 ONLY)</u></b>	
Surplus on Revaluation of 17,811,000 shares in Euro Asian Securities Limited	18,254,666
Less Amount carried to Revaluation Reserve (See Below)	(10,055,389)
Balance @ 31st March 1999	<u>8,199,277</u>
Less Exchange Loss on Disposal of shares Per Profit and Loss Account	<u>(106,066)</u>
	<u><u>8,093,211</u></u>

14. **EARNINGS/(LOSS) PER SHARE**

Earnings/(Loss) per share is based on the profit for the period of USD 11,123,545 (31st March 1999: Loss of USD 328,626) and 3,421,600 shares being the number of shares issued for both periods.

15. **ACCOUNTING REFERENCE DATE**

The company has changed its accounting reference date from 31st March to 31st December each year. Subsequent accounting period will be for period of 12 months ending on 31st December.

16. **GROUP ACCOUNTS**

According to the International Accounting Standards, the company has to prepare Group Accounts consolidating the results of its subsidiaries at 31st December 1999. This financial statements shows the results of the parent company only. Group Accounts will be prepared and submitted at a later date.

Page No - 1 to 8

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**DECEMBER 31, 1996**

**INDEX**

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Profit and Loss Account	2
Balance Sheet	3
Cash Flow Statement	4
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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**

I have audited the financial statements on pages 2 to 6.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Other Loan (as disclosed in note 9 in the accounts)**

I have not been able to satisfy myself on the above loan and therefore do not express an opinion on this item.

**Opinion**

In my opinion and subject to the qualification on the loan, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1996 and of its profits and cash flows for the year ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

  
**ANTHONY RAULT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: - 9 DEC 1999  
Port Louis,  
Republic of Mauritius.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1996**

	<u>NOTES</u>	<u>1996</u> <u>USD</u>	<u>1995</u> <u>USD</u>
<b><u>INCOME</u></b>			
Profit on Disposal of shares	10	66,376	-
Dividend Received		168	
Interest Received		1,465	-
		<u>68,009</u>	<u>-</u>
<b><u>EXPENSES</u></b>			
Directors' Fees		800	-
Administrative Expenses		1,950	-
Bank Charges		251	-
Audit Fee		1,250	-
Exchange Difference		14,900	-
Loss on Revaluation of Investments	5	25,890	-
Amortisation of Intangible Assets	4	250	
Service charge		1,374	
		<u>46,665</u>	<u>-</u>
<b><u>NET PROFIT FOR THE YEAR</u></b>		<u>21,344</u>	<u>-</u>

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 1996**

	<u>NOTES</u>	<u>1996</u> <u>USD</u>	<u>1995</u> <u>USD</u>
<b><u>INTANGIBLE ASSETS</u></b>	4	-	5,500
Investments	5	54,496	-
<b><u>CURRENT ASSETS</u></b>			
Sundry Debtors		176,529	
Loan to Related Undertakings	6	282,946	-
Cash & Bank Balances		11,625	2
		<u>471,100</u>	<u>2</u>
<b><u>CURRENT LIABILITIES</u></b>			
Accruals		1,250	250
		<u>1,250</u>	<u>250</u>
<b><u>NET CURRENT ASSETS/LIABILITIES</u></b>		<u>469,850</u>	<u>(248)</u>
		<u>524,346</u>	<u>5,252</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>	7	2	2
<b><u>PROFIT AND LOSS ACCOUNT</u></b>		21,344	-
<b><u>SHAREHOLDER'S LOAN</u></b>	8	3,000	5,250
<b><u>OTHER LOAN</u></b>	9	500,000	-
		<u>524,346</u>	<u>5,252</u>

These accounts have been approved by the Board of Directors on ..... **10 SEP 1999**

)  
 )  
 )  
 ) DIRECTORS  
 )  
 )  
 )

*W. S. Siveda*      *both*

Notes on pages 5 & 6 form part of these accounts.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

	<b><u>NOTES</u></b>	<b><u>1996</u></b>	<b><u>1995</u></b>
		<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net profit for the year		21,344	-
Adjustments for :			
Amortisation of Intangible Assets		250	
Loss on Revaluation of Investments		25,890	
Profit on Sale of shares		(104,330)	
<b>Operating loss before working capital changes</b>		(56,846)	-
Increase in Sundry debtors		(176,529)	-
Increase in accruals		1,000	250
<b>Net cash (used in)/from operating activities</b>	<b>A</b>	(232,375)	250
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of Investments		(3,158,043)	
Proceeds from sale of Investments		3,181,987	
Purchase of Intangible Assets		-	(5,500)
<b>Net cash used in investing activities</b>	<b>B</b>	23,944	(5,500)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from loan		500,000	-
Proceeds from issuance of share capital		-	2
Loan to Related Undertakings		(282,946)	-
Proceeds from Shareholder's Loan		3,000	5,250
<b>Net cash from financing activities</b>	<b>C</b>	220,054	5,252
<b><u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	11,623	2
Cash and cash equivalents at beginning of year		2	-
<b>Cash and cash equivalents at end of year</b>		11,625	2

*Handwritten signature and initials*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

1. **INCORPORATION**

LLOYDS INVESTMENTS WORLDWIDE LIMITED is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of American Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

Quoted shares are valued at Market Values at year end and are converted into U.S Dollars using the rate ruling that date.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

	<b><u>1996</u></b>	<b><u>1995</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
4. <b><u>INTANGIBLE ASSETS</u></b>		
Balance @ the beginning of the year	5,500	5,500
Less: Amounts written back	(5,250)	
Amortisation of Intangible Assets	(250)	-
Balance @ the end of the year	<u>-</u>	<u>5,500</u>
5. <b><u>INVESTMENTS</u></b>	<b><u>QUOTED</u></b>	
	<b><u>SHARES</u></b>	
	<b><u>1996</u></b>	
	<b><u>USD</u></b>	
Additions for the year	3,158,043	
Less Disposal for the year	(3,077,657)	
Cost at 31.12.96	<u>80,386</u>	
Loss on Revaluation of Investments	(25,890)	
MARKET VALUE AT 31.12.96	<u>54,496</u>	

*1996*  
*60%*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

6. **LOAN TO RELATED UNDERTAKINGS**

The loan of \$282,946 was given to a Related Undertakings and is interest free with no repayment schedule.

<b><u>7. SHARE CAPITAL</u></b>	<b><u>1996</u></b>	<b><u>1995</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>Authorised</u></b>		
10,000 Ordinary Shares of USD 1 each	<u>10,000</u>	<u>10,000</u>
<b><u>Issued</u></b>		
2 Ordinary Shares of USd 1 each	<u>2</u>	<u>2</u>

8. **SHAREHOLDERS' LOAN**

The shareholders' loan is interest free, unsecured and with no fixed repayment schedule.

9. **OTHER LOANS**

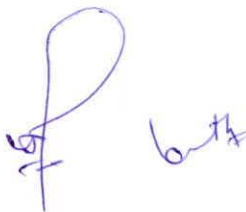
	<b><u>1996</u></b>
	<b><u>USD</u></b>
Funds Received from 3rd Parties	500,000
Share of Profit on disposal of Investments (See Note 10)	37,954
Less Payment made by Related undertakings	(37,954)
Balance at year end	<u>500,000</u>

10. **PROFIT ON DISPOSAL OF SHARES**

	<b><u>1996</u></b>
	<b><u>USD</u></b>
Total Profit for the year	104,330
Less Profits transferred to third parties	(37,954)
Amount transferred to Profit and Loss Account	<u>66,376</u>

11. **POST BALANCE-SHEET EVENTS**

The company has changed its name from Lloyds Investments Worldwide Limited to Pathfinder Investments Limited by a special Resolution held on the 8th December 1998.



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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**MARCH 31, 1999**

**INDEX**

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Profit and Loss Account	2
Balance Sheet	3
Cash Flow Statement	4
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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**

I have audited the financial statements on pages 2 to 6.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

I draw attention to note 11 in the accounts regarding the Going Concern Basis.

**Other Loan (as disclosed in note 8 in the accounts)**

I have not been able to satisfy myself on the above loan and therefore do not express an opinion on this item.

**Opinion**

In my opinion and subject to the above qualification, the financial statements give a true and fair view of the state of the company's affairs at March 31st, 1999 and of its loss and cash flows for the period ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.



**ANTHONY RAULT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: - 9 DEC 1999  
Port Louis,  
Republic of Mauritius.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD FROM 1st JANUARY 1998 TO 31st MARCH 1999**

	<u>NOTES</u>	<u>15 MONTHS</u> <u>1999</u> <u>USD</u>	<u>12 MONTHS</u> <u>1997</u> <u>USD</u>
<b><u>INCOME</u></b>			
Profit on Disposal of shares		-	286,189
Dividend Received		26	6,836
Interest Received		111	155
Other Income	7	3,000	-
		<u>3,137</u>	<u>293,180</u>
<b><u>EXPENSES</u></b>			
Directors' Fees		800	800
Administrative Expenses		2,050	7,999
Bank Charges		1,352	1,631
Audit Fee		1,250	1,250
Exchange Difference		90,476	165,301
Loss on Revaluation of Investments	4	2,029	80,165
Loss on Disposal of Shares		9,868	-
Service charge		97,640	(1,349)
Interest payable	8	750,000	415,000
		<u>955,465</u>	<u>670,797</u>
<b><u>NET (LOSS) FOR THE PERIOD</u></b>		(952,328)	(377,617)
Taxation	9	-	1,026
<b><u>NET (LOSS) FOR THE PERIOD AFTER TAXATION</u></b>		(952,328)	(378,643)
<b><u>RETAINED LOSS BROUGHT FORWARD</u></b>		(357,299)	21,344
<b><u>RETAINED LOSS CARRIED FORWARD</u></b>		<u>(1,309,627)</u>	<u>(357,299)</u>

*f both*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**BALANCE SHEET**  
**AS AT MARCH 31, 1999**

	<b><u>NOTES</u></b>	<b><u>1999</u></b> <b><u>USD</u></b>	<b><u>1997</u></b> <b><u>USD</u></b>
<b><u>ASSETS EMPLOYED</u></b>			
Investments	4	1,358,765	1,223,871
<b><u>CURRENT ASSETS</u></b>			
Sundry Debtors		241	1,210,916
Loan to Related Undertakings	5	793,653	607,046
Cash & Bank Balances		562	15,870
		<u>794,456</u>	<u>1,833,832</u>
<b><u>CURRENT LIABILITIES</u></b>			
Sundry Creditors		50,096	-
Accruals		2,250	2,000
		<u>52,346</u>	<u>2,000</u>
<b><u>NET CURRENT ASSETS</u></b>			
		<u>742,110</u>	<u>1,831,832</u>
		<u>2,100,875</u>	<u>3,055,703</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>			
	6	502	2
<b><u>PROFIT AND LOSS ACCOUNT</u></b>			
		(1,309,627)	(357,299)
<b><u>SHAREHOLDER'S LOAN</u></b>			
	7	-	3,000
<b><u>OTHER LOAN</u></b>			
	8	3,410,000	3,410,000
		<u>2,100,875</u>	<u>3,055,703</u>

These accounts have been approved by the Board of Directors on 10 SEP 1999

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Notes on pages 5 and 6 form part of these accounts.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 1999**

	<u>NOTES</u>	<u>1999</u> <u>USD</u>	<u>1997</u> <u>USD</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net (loss)/profit for the year		(952,328)	(377,617)
Adjustments for :			
Loss on Revaluation of Investments		2,029	80,165
(Loss)/Profit on Sale of shares		9,868	(286,189)
Shareholders Loan written off		(3,000)	-
<b>Operating loss before working capital changes</b>		<b>(943,431)</b>	<b>(583,641)</b>
Taxation paid		-	(1,026)
		(943,431)	(584,667)
Decrease/(Increase) in Sundry debtors		1,210,675	(1,034,387)
Increase in accruals		250	750
Increase in Sundry Creditors		50,096	-
<b>Net cash (used in)/from operating activities</b>	<b>A</b>	<b>317,590</b>	<b>(1,618,304)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of Investments		(497,925)	(3,807,312)
Proceeds from sale of Investments		351,134	2,843,961
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(146,791)</b>	<b>(963,351)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from Issuance of Share Capital		500	-
Proceeds from loan		-	2,910,000
Loan to Related Undertakings		(186,607)	(324,100)
<b>Net cash from financing activities</b>	<b>C</b>	<b>(186,107)</b>	<b>2,585,900</b>
<b><u>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	<b>(15,308)</b>	<b>4,245</b>
Cash and cash equivalents at beginning of period		15,870	11,625
<b>Cash and cash equivalents at end of period</b>		<b>562</b>	<b>15,870</b>



**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**

**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED MARCH 31, 1999**

1. **INCORPORATION**

**PATHFINDER INVESTMENTS LIMITED** is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

Quoted shares are valued at Market Values at year end and are converted into U.S Dollars using the rate ruling on that date. Unquoted Investments are valued at cost and are translated using the exchange rate ruling at the date of purchase.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities with the exception of unquoted investments expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

4. <b><u>INVESTMENTS</u></b>	<b><u>QUOTED</u></b>	<b><u>UNQUOTED</u></b>	<b><u>SHARE</u></b>	<b><u>TOTAL</u></b>
	<b><u>SHARES</u></b>	<b><u>SHARES</u></b>	<b><u>APPLICATION</u></b>	<b><u>USD</u></b>
	<b><u>1999</u></b>	<b><u>1999</u></b>	<b><u>1999</u></b>	<b><u>1999</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>	<b><u>USD</u></b>
Balance brought forward @ 1st January 1998	413,596	-	810,275	1,223,871
Additions for the period	-	-	497,925	497,925
Less Disposal for the period	(361,002)	-	-	(361,002)
Transfer from Share Application	-	1,308,200	(1,308,200)	-
Balance at 31st March 1999	52,594	1,308,200	-	1,360,794
Loss on Revaluation of Investments	(2,029)	-	-	(2,029)
Balance at 31st March 1999	<u>50,565</u>	<u>1,308,200</u>	<u>-</u>	<u>1,358,765</u>

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED MARCH 31, 1999**

(a) **INVESTMENT IN ASSOCIATE**

The unquoted investment represent investment in Associated company which are valued at cost at 31st March 1999.

<b><u>NAME OF COMPANY</u></b>	<b><u>TYPE OF SHARE</u></b>	<b><u>% HELD 1999</u></b>	<b><u>% HELD 1997</u></b>	<b><u>1999 USD</u></b>	<b><u>1997 USD</u></b>
Euro Offshore Investment Ltd	ORDINARY	38.2%	-	<u>1,308,200</u>	<u>-</u>

5. **LOAN TO RELATED UNDERTAKINGS**

The loan of \$ 793653 was given to a Related Undertakings and is interest free unsecured with no repayment schedule.

	<b><u>1999</u></b>
	<b><u>USD</u></b>
Balance @ 1st January 1998	607,046
<u>Add</u> Further Loan advanced during the period	<u>186,607</u>
Balance @ 31st March 1999	<u><u>793,653</u></u>

6. **SHARE CAPITAL**

**Authorised**

	<b><u>1999</u></b>	<b><u>1997</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
500,000 Ordinary Shares of USD 1 each	<u>5,000,000</u>	<u>10,000</u>
(1997: 10,000 Ordinary Shares of USD 1 each)		

**Issued**

502 Ordinary Shares of USD 1 each	<u>502</u>	<u>2</u>
(1997: 2 Ordinary Shares of USD 1 each)		

7. **SHAREHOLDER'S LOAN**

The shareholder's loan has been written off during the period.

8. **OTHER LOAN**

The loan is unsecured with no fixed repayment schedule. Interest on the loan has been computed @ 2% per month on the principal amount of USD 2,500,000 only.

9. **TAXATION**

Represent Withholding Taxes on dividend received in the previous year.

10. **ACCOUNTING REFERENCE DATE**

The company has changed its accounting reference date to 31st March of each year. Subsequent accounts for a period of twelve months ending 31st March will be submitted.

11. **GOING CONCERN BASIS**

The Going Concern Basis has been maintained since the company has the support of its creditors and shareholders and will thus be able to continue financing its operations.

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**DECEMBER 31, 1997**

**INDEX**

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Profit and Loss Account	2
Balance Sheet	3
Cash Flow Statement	4
Notes to the Accounts	5-6

**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**

I have audited the financial statements on pages 2 to 6.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

I draw attention to note 9 in the accounts regarding the Going Concern Basis.

**Other Loan (as disclosed in note 8 in the accounts)**

I have not been able to satisfy myself on the above loan and therefore do not express an opinion on this item.

**Opinion**

In my opinion and subject to the above qualification, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1997 and of its loss and cash flows for the year ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

  
**ANTHONY RAULT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: - 9 DEC 1999  
Port Louis,  
Republic of Mauritius.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

	<u>NOTES</u>	<u>1997</u> <u>USD</u>	<u>1996</u> <u>USD</u>
<b><u>INCOME</u></b>			
Profit on Disposal of shares		286,189	66,376
Dividend Received		6,836	168
Interest Received		155	1,465
		<u>293,180</u>	<u>68,009</u>
<b><u>EXPENSES</u></b>			
Directors' Fees		800	800
Administrative Expenses		7,999	1,950
Bank Charges		1,631	251
Audit Fee		1,250	1,250
Exchange Difference		165,301	14,900
Loss on Revaluation of Investments	4	80,165	25,890
Amortisation of Intangible Assets		-	250
Service charge		(1,349)	1,374
Interest payable	8	415,000	-
		<u>670,797</u>	<u>46,665</u>
<b><u>NET (LOSS)/PROFIT FOR THE YEAR</u></b>		(377,617)	21,344
Taxation	10	1,026	-
<b><u>NET (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION</u></b>		(378,643)	21,344
<b><u>RETAINED PROFIT BROUGHT FORWARD</u></b>		21,344	-
<b><u>RETAINED LOSS CARRIED FORWARD</u></b>		<u>(357,299)</u>	<u>21,344</u>

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 1997**

	<b><u>NOTES</u></b>	<b><u>1997</u></b> <b><u>USD</u></b>	<b><u>1996</u></b> <b><u>USD</u></b>
<b><u>ASSETS EMPLOYED</u></b>			
Investments	4	1,223,871	54,496
<b><u>CURRENT ASSETS</u></b>			
Sundry Debtors		1,210,916	176,529
Loan to Related Undertakings	5	607,046	282,946
Cash & Bank Balances		<u>15,870</u>	<u>11,625</u>
		<u>1,833,832</u>	<u>471,100</u>
<b><u>CURRENT LIABILITIES</u></b>			
Accruals		<u>2,000</u>	<u>1,250</u>
		<u>2,000</u>	<u>1,250</u>
<b><u>NET CURRENT ASSETS</u></b>			
		<u>1,831,832</u>	<u>469,850</u>
		<u>3,055,703</u>	<u>524,346</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>			
	6	2	2
<b><u>PROFIT AND LOSS ACCOUNT</u></b>			
		(357,299)	21,344
<b><u>SHAREHOLDER'S LOAN</u></b>			
	7	3,000	3,000
<b><u>OTHER LOAN</u></b>			
	8	3,410,000	500,000
		<u>3,055,703</u>	<u>524,346</u>

These accounts have been approved by the Board of Directors on .....

10 SEP 1999


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 ) DIRECTORS  
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*W. S. Sivech*      *W. S. Sivech*

Notes on pages 5 & 6 form part of these accounts.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

	<b><u>NOTES</u></b>	<b><u>1997</u></b>	<b><u>1996</u></b>
		<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net (loss)/profit for the year		(377,617)	21,344
Adjustments for :			
Amortisation of Intangible Assets		-	250
Loss on Revaluation of Investments		80,165	25,890
Profit on Sale of shares		(286,189)	(104,330)
<b>Operating loss before working capital changes</b>		<b>(583,641)</b>	<b>(56,846)</b>
Taxation paid		(1,026)	-
		<u>(584,667)</u>	<u>(56,846)</u>
Increase in Sundry debtors		(1,034,387)	(176,529)
Increase in accruals		750	1,000
<b>Net cash (used in)/from operating activities</b>	<b>A</b>	<b><u>(1,618,304)</u></b>	<b><u>(232,375)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of Investments		(3,807,312)	(3,158,043)
Proceeds from sale of Investments		2,843,961	3,181,987
<b>Net cash used in investing activities</b>	<b>B</b>	<b><u>(963,351)</u></b>	<b><u>23,944</u></b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from loan		2,910,000	500,000
Loan to Related Undertakings		(324,100)	(282,946)
Proceeds from Shareholder's Loan		-	3,000
<b>Net cash from financing activities</b>	<b>C</b>	<b><u>2,585,900</u></b>	<b><u>220,054</u></b>
<b><u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	<b>4,245</b>	<b>11,623</b>
Cash and cash equivalents at beginning of year		<u>11,625</u>	<u>2</u>
<b>Cash and cash equivalents at end of year</b>		<b><u>15,870</u></b>	<b><u>11,625</u></b>


  
 Llyods Investments Worldwide Limited

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

1. **INCORPORATION**

**LLOYDS INVESTMENTS WORLDWIDE LIMITED** is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

Quoted shares are valued at Market Values at year end and are converted into U.S Dollars using the rate ruling on that date. Share application is valued at cost and is translated using the exchange rate ruling at the date of purchase.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities with the exception of share application expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

4. **INVESTMENTS**

	<b><u>QUOTED</u></b> <b><u>SHARES</u></b> <b><u>1997</u></b> <b><u>USD</u></b>	<b><u>SHARE</u></b> <b><u>APPLICATION</u></b> <b><u>1997</u></b> <b><u>USD</u></b>	<b><u>TOTAL</u></b> <b><u>USD</u></b> <b><u>1997</u></b> <b><u>USD</u></b>
Balance brought forward @ 1st January 1997	54,496	-	54,496
Additions for the year	2,997,037	810,275	3,807,312
Less Disposal for the year	(2,557,772)	-	(2,557,772)
Balance at 31st December 1997	<u>493,761</u>	<u>810,275</u>	<u>1,304,036</u>
Loss on Revaluation of Investments	(80,165)	-	(80,165)
BALANCE AT 31st December 1997	<u><u>413,596</u></u>	<u><u>810,275</u></u>	<u><u>1,223,871</u></u>

*57 cents*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

5. **LOAN TO RELATED UNDERTAKINGS**

The loan of \$607,046 was given to a Related Undertakings and is interest free with no repayment schedule.

	<u>1997</u>
	<u>USD</u>
Balance @ 1st January 1997	282,946
<u>Add</u> Loan advanced during the year	927,500
<u>Less</u> Repayment of loan during the year	<u>(603,400)</u>
Balance @ 31st December 1997	<u><u>607,046</u></u>

6. **SHARE CAPITAL**

	<u>1997</u>	<u>1996</u>
	<u>USD</u>	<u>USD</u>
<b><u>Authorised</u></b>		
10,000 Ordinary Shares of USD 1 each	10,000	10,000
<b><u>Issued</u></b>		
2 Ordinary Shares of USD 1 each	<u>2</u>	<u>2</u>

7. **SHAREHOLDERS' LOAN**

The shareholders' loan is interest free, unsecured and with no fixed repayment schedule.

8. **OTHER LOAN**

The loan is unsecured with no fixed repayment schedule. Interest on the loan has been computed @ 2% per month on a principal amount of USD 2,500,000 only.

9. **GOING CONCERN BASIS**

The Going Concern Basis has been maintained since the company has the support of its creditors and shareholders and will thus be able to continue financing its operations.

10. **TAXATION**

Represents withholding taxes suffered on Dividend Received.

11. **POST BALANCE-SHEET EVENTS**

The company has changed its name from Lloyds Investments Worldwide Limited to Pathfinder Investments Limited by a special Resolution held on the 8th December 1998.

*Pathfinder*

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आने छद्म जप जे ल्याची गरी

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14

ART - BB-14-3

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**DECEMBER 31, 1997**

**INDEX**

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Cash Flow Statement	4
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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**

I have audited the financial statements on pages 2 to 6.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

I draw attention to note 9 in the accounts regarding the Going Concern Basis.

**Other Loan (as disclosed in note 8 in the accounts)**

I have not been able to satisfy myself on the above loan and therefore do not express an opinion on this item.

**Opinion**

In my opinion and subject to the above qualification, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1997 and of its loss and cash flows for the year ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

  
**ANTHONY RAULT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: - 9 DEC 1999  
Port Louis,  
Republic of Mauritius.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

	<u>NOTES</u>	<u>1997</u> <u>USD</u>	<u>1996</u> <u>USD</u>
<b><u>INCOME</u></b>			
Profit on Disposal of shares		286,189	66,376
Dividend Received		6,836	168
Interest Received		155	1,465
		<u>293,180</u>	<u>68,009</u>
<b><u>EXPENSES</u></b>			
Directors' Fees		800	800
Administrative Expenses		7,999	1,950
Bank Charges		1,631	251
Audit Fee		1,250	1,250
Exchange Difference		165,301	14,900
Loss on Revaluation of Investments	4	80,165	25,890
Amortisation of Intangible Assets		-	250
Service charge		(1,349)	1,374
Interest payable	8	415,000	-
		<u>670,797</u>	<u>46,665</u>
<b><u>NET (LOSS)/PROFIT FOR THE YEAR</u></b>		(377,617)	21,344
Taxation	10	1,026	-
<b><u>NET (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION</u></b>		(378,643)	21,344
<b><u>RETAINED PROFIT BROUGHT FORWARD</u></b>		21,344	-
<b><u>RETAINED LOSS CARRIED FORWARD</u></b>		<u>(357,299)</u>	<u>21,344</u>

*for both*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 1997**

	<b><u>NOTES</u></b>	<b><u>1997</u></b> <b><u>USD</u></b>	<b><u>1996</u></b> <b><u>USD</u></b>
<b><u>ASSETS EMPLOYED</u></b>			
Investments	4	1,223,871	54,496
<b><u>CURRENT ASSETS</u></b>			
Sundry Debtors		1,210,916	176,529
Loan to Related Undertakings	5	607,046	282,946
Cash & Bank Balances		15,870	11,625
		<u>1,833,832</u>	<u>471,100</u>
<b><u>CURRENT LIABILITIES</u></b>			
Accruals		2,000	1,250
		<u>2,000</u>	<u>1,250</u>
<b><u>NET CURRENT ASSETS</u></b>			
		<u>1,831,832</u>	<u>469,850</u>
		<u>3,055,703</u>	<u>524,346</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>			
	6	2	2
<b><u>PROFIT AND LOSS ACCOUNT</u></b>			
		(357,299)	21,344
<b><u>SHAREHOLDER'S LOAN</u></b>			
	7	3,000	3,000
<b><u>OTHER LOAN</u></b>			
	8	3,410,000	500,000
		<u>3,055,703</u>	<u>524,346</u>

These accounts have been approved by the Board of Directors on .....

10 SEP 1999

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 ) DIRECTORS  
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Notes on pages 5 & 6 form part of these accounts.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

	<b><u>NOTES</u></b>	<b><u>1997</u></b> <b><u>USD</u></b>	<b><u>1996</u></b> <b><u>USD</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net (loss)/profit for the year		(377,617)	21,344
Adjustments for :			
Amortisation of Intangible Assets		-	250
Loss on Revaluation of Investments		80,165	25,890
Profit on Sale of shares		(286,189)	(104,330)
<b>Operating loss before working capital changes</b>		(583,641)	(56,846)
Taxation paid		(1,026)	-
		(584,667)	(56,846)
Increase in Sundry debtors		(1,034,387)	(176,529)
Increase in accruals		750	1,000
<b>Net cash (used in)/from operating activities</b>	<b>A</b>	(1,618,304)	(232,375)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of Investments		(3,807,312)	(3,158,043)
Proceeds from sale of Investments		2,843,961	3,181,987
<b>Net cash used in investing activities</b>	<b>B</b>	(963,351)	23,944
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from loan		2,910,000	500,000
Loan to Related Undertakings		(324,100)	(282,946)
Proceeds from Shareholder's Loan		-	3,000
<b>Net cash from financing activities</b>	<b>C</b>	2,585,900	220,054
<b><u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	4,245	11,623
Cash and cash equivalents at beginning of year		11,625	2
<b>Cash and cash equivalents at end of year</b>		15,870	11,625



**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

1. **INCORPORATION**

**LLOYDS INVESTMENTS WORLDWIDE LIMITED** is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

Quoted shares are valued at Market Values at year end and are converted into U.S Dollars using the rate ruling on that date. Share application is valued at cost and is translated using the exchange rate ruling at the date of purchase.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities with the exception of share application expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

4. **INVESTMENTS**

	<b><u>QUOTED</u></b> <b><u>SHARES</u></b> <b><u>1997</u></b> <b><u>USD</u></b>	<b><u>SHARE</u></b> <b><u>APPLICATION</u></b> <b><u>1997</u></b> <b><u>USD</u></b>	<b><u>TOTAL</u></b> <b><u>USD</u></b> <b><u>1997</u></b> <b><u>USD</u></b>
Balance brought forward @ 1st January 1997	54,496	-	54,496
Additions for the year	2,997,037	810,275	3,807,312
Less Disposal for the year	(2,557,772)	-	(2,557,772)
Balance at 31st December 1997	493,761	810,275	1,304,036
Loss on Revaluation of Investments	(80,165)	-	(80,165)
<b>BALANCE AT 31st December 1997</b>	<b>413,596</b>	<b>810,275</b>	<b>1,223,871</b>

*Handwritten signature and initials*

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLYODS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

5. **LOAN TO RELATED UNDERTAKINGS**

The loan of \$607,046 was given to a Related Undertakings and is interest free with no repayment schedule.

	<u>1997</u>
	<u>USD</u>
Balance @ 1st January 1997	282,946
<u>Add</u> Loan advanced during the year	927,500
<u>Less</u> Repayment of loan during the year	<u>(603,400)</u>
Balance @ 31st December 1997	<u><u>607,046</u></u>

6. **SHARE CAPITAL**

	<u>1997</u>	<u>1996</u>
	<u>USD</u>	<u>USD</u>
<b><u>Authorised</u></b>		
10,000 Ordinary Shares of USD 1 each	10,000	10,000
<b><u>Issued</u></b>		
2 Ordinary Shares of USD 1 each	<u>2</u>	<u>2</u>

7. **SHAREHOLDERS' LOAN**

The shareholders' loan is interest free, unsecured and with no fixed repayment schedule.

8. **OTHER LOAN**

The loan is unsecured with no fixed repayment schedul. Interest on the loan has been computed @ 2% per month on a principal amount of USD 2,500,000 only.

9. **GOING CONCERN BASIS**

The Going Concern Basis has been maintained since the company has the support of its creditors and shareholders and will thus be able to continue financing its operations.

10. **TAXATION**

Represents withholding taxes suffered on Dividend Received.

11. **POST BALANCE-SHEET EVENTS**

The company has changed its name from Lloyds Investments Worldwide Limited to Pathfinder Investments Limited by a special Resolution held on the 8th December 1998.

*Pathfinder*

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**DECEMBER 31, 1996**

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**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**

I have audited the financial statements on pages 2 to 6.

**Respective responsibilities of directors and auditors.**

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

**Basis of opinion**

I conducted the audit in accordance with Generally Accepted Auditing Standards. 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.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Other Loan (as disclosed in note 9 in the accounts)**

I have not been able to satisfy myself on the above loan and therefore do not express an opinion on this item.

**Opinion**

In my opinion and subject to the qualification on the loan, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1996 and of its profits and cash flows for the year ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.



**ANTHONY RAULT**  
**CHARTERED CERTIFIED ACCOUNTANT**

Date: **- 9 DEC 1999**  
Port Louis,  
Republic of Mauritius.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1996**

	<u>NOTES</u>	<u>1996</u> <u>USD</u>	<u>1995</u> <u>USD</u>
<b><u>INCOME</u></b>			
Profit on Disposal of shares	10	66,376	-
Dividend Received		168	-
Interest Received		1,465	-
		<u>68,009</u>	<u>-</u>
<b><u>EXPENSES</u></b>			
Directors' Fees		800	-
Administrative Expenses		1,950	-
Bank Charges		251	-
Audit Fee		1,250	-
Exchange Difference		14,900	-
Loss on Revaluation of Investments	5	25,890	-
Amortisation of Intangible Assets	4	250	-
Service charge		1,374	-
		<u>46,665</u>	<u>-</u>
<b><u>NET PROFIT FOR THE YEAR</u></b>		<u>21,344</u>	<u>-</u>

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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 1996**

	<u>NOTES</u>	<u>1996</u> <u>USD</u>	<u>1995</u> <u>USD</u>
<b><u>INTANGIBLE ASSETS</u></b>	4	-	5,500
Investments	5	54,496	-
<b><u>CURRENT ASSETS</u></b>			
Sundry Debtors		176,529	
Loan to Related Undertakings	6	282,946	-
Cash & Bank Balances		11,625	2
		<u>471,100</u>	<u>2</u>
<b><u>CURRENT LIABILITIES</u></b>			
Accruals		1,250	250
		<u>1,250</u>	<u>250</u>
<b><u>NET CURRENT ASSETS/LIABILITIES</u></b>		<u>469,850</u>	<u>(248)</u>
		<u>524,346</u>	<u>5,252</u>
<b><u>FINANCED BY:</u></b>			
<b><u>SHARE CAPITAL</u></b>	7	2	2
<b><u>PROFIT AND LOSS ACCOUNT</u></b>		21,344	-
<b><u>SHAREHOLDER'S LOAN</u></b>	8	3,000	5,250
<b><u>OTHER LOAN</u></b>	9	500,000	-
		<u>524,346</u>	<u>5,252</u>

These accounts have been approved by the Board of Directors on ..... **10 SEP 1999** .....

*Approved*

*both*


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) DIRECTORS  
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Notes on pages 5 & 6 form part of these accounts.

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLWIDE LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

	<b><u>NOTES</u></b>	<b><u>1996</u></b> <b><u>USD</u></b>	<b><u>1995</u></b> <b><u>USD</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net profit for the year		21,344	-
Adjustments for :			
Amortisation of Intangible Assets		250	
Loss on Revaluation of Investments		25,890	
Profit on Sale of shares		(104,330)	
<b>Operating loss before working capital changes</b>		(56,846)	-
Increase in Sundry debtors		(176,529)	-
Increase in accruals		1,000	250
<b>Net cash (used in)/from operating activities</b>	<b>A</b>	(232,375)	250
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of Investments		(3,158,043)	
Proceeds from sale of Investments		3,181,987	
Purchase of Intangible Assets		-	(5,500)
<b>Net cash used in investing activities</b>	<b>B</b>	23,944	(5,500)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from loan		500,000	-
Proceeds from issuance of share capital		-	2
Loan to Related Undertakings		(282,946)	-
Proceeds from Shareholder's Loan		3,000	5,250
<b>Net cash from financing activities</b>	<b>C</b>	220,054	5,252
<b><u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u></b>	<b>(A+B+C)</b>	11,623	2
Cash and cash equivalents at beginning of year		2	-
<b>Cash and cash equivalents at end of year</b>		11,625	2


  
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**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

1. **INCORPORATION**

LLOYDS INVESTMENTS WORLDWIDE LIMITED is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of American Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

Quoted shares are valued at Market Values at year end and are converted into U.S Dollars using the rate ruling that date.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

	<b><u>1996</u></b>	<b><u>1995</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
4. <b><u>INTANGIBLE ASSETS</u></b>		
Balance @ the beginning of the year	5,500	5,500
Less: Amounts written back	(5,250)	
Amortisation of Intangible Assets	(250)	-
Balance @ the end of the year	<u>-</u>	<u>5,500</u>
5. <b><u>INVESTMENTS</u></b>	<b><u>QUOTED</u></b>	
	<b><u>SHARES</u></b>	
	<b><u>1996</u></b>	
	<b><u>USD</u></b>	
Additions for the year	3,158,043	
Less Disposal for the year	(3,077,657)	
Cost at 31.12.96	<u>80,386</u>	
Loss on Revaluation of Investments	(25,890)	
MARKET VALUE AT 31.12.96	<u>54,496</u>	

**PATHFINDER INVESTMENTS LIMITED**  
**FORMERLY KNOWN AS**  
**LLOYDS INVESTMENTS WORLDWIDE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

6. **LOAN TO RELATED UNDERTAKINGS**

The loan of \$282,946 was given to a Related Undertakings and is interest free with no repayment schedule.

<b><u>7. SHARE CAPITAL</u></b>	<b><u>1996</u></b>	<b><u>1995</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>Authorised</u></b>		
10,000 Ordinary Shares of USD 1 each	<u>10,000</u>	<u>10,000</u>
<b><u>Issued</u></b>		
2 Ordinary Shares of USd 1 each	<u>2</u>	<u>2</u>

8. **SHAREHOLDERS' LOAN**

The shareholders' loan is interest free, unsecured and with no fixed repayment schedule.

9. **OTHER LOANS**

	<b><u>1996</u></b>
	<b><u>USD</u></b>
Funds Received from 3rd Parties	500,000
Share of Profit on disposal of Investments (See Note 10)	37,954
Less Payment made by Related undertakings	(37,954)
Balance at year end	<u>500,000</u>

10. **PROFIT ON DISPOSAL OF SHARES**

	<b><u>1996</u></b>
	<b><u>USD</u></b>
Total Profit for the year	104,330
Less Profits transferred to third parties	(37,954)
Amount transferred to Profit and Loss Account	<u>66,376</u>

11. **POST BALANCE-SHEET EVENTS**

The company has changed its name from Lloyds Investments Worldwide Limited to Pathfinder Investments Limited by a special Resolution held on the 8th December 1998.

*Handwritten signature and initials in blue ink.*

ज्याचे उद्देश जप ठेले त्याची बरी.

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