

**BCIF Management Ltd.**  
**Non-Consolidated Financial Statements**  
**For the year ended March 31, 2003**

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**BCIF Management Ltd.  
Non-Consolidated Financial Statements  
For the year ended March 31, 2003**

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**BDO Dunwoody LLP**  
Chartered Accountants

600 Park Place  
666 Burrard Street  
Vancouver, BC, Canada V6C 2X8  
Telephone: (604) 688-5421  
Telefax: (604) 688-5132  
E-mail: [vancouver@bdo.ca](mailto:vancouver@bdo.ca)  
[www.bdo.ca](http://www.bdo.ca)

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## Auditors' Report

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**To the Shareholders of  
BCIF Management Ltd.**

We have audited the Non-Consolidated Balance Sheet of BCIF Management Ltd. as at March 31, 2003 and the Non-Consolidated Statements of Operations and Retained Earnings, and Cash Flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles, except that they are prepared on a non-consolidated basis and investment in subsidiary is recorded using the cost basis as explained in the Summary of Significant Accounting Policies. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*BDO Dunwoody LLP*

Chartered Accountants

Vancouver, British Columbia  
April 21, 2003

**BCIF Management Ltd.**  
**Non-Consolidated Balance Sheet**

March 31 2003 2002

**Assets**

**Current**

Cash (Note 2) \$ 94,623 \$ 53,331

Investment in British Columbia Investment Fund Ltd. 100 100

**\$ 94,723 \$ 53,431**

**Liabilities and Shareholder's Equity**

**Current**

Accounts payable and accrued liabilities \$ 29,642 \$ 45,815  
Due to British Columbia Investment Fund Ltd. (Note 3) 64,881 7,416

**94,523 53,231**

Due to the Ministry of Employment and Investment (Note 4) 100 100

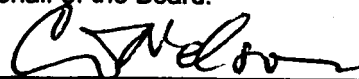
**94,623 53,331**


**Shareholder's equity**

Share capital (Note 5) 100 100

**\$ 94,723 \$ 53,431**

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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**BCIF Management Ltd.**  
**Non-Consolidated Statement of Operations and Retained Earnings**

<b>For the year ended March 31</b>	<b>2003</b>	<b>2002</b>
<b>Revenue</b>		
Management fees	\$ 413,585	\$ 507,671
Sales commissions	-	98,000
	<hr/>	<hr/>
	<b>413,585</b>	<b>605,671</b>
<b>Expenses</b>		
Consulting	411,585	507,601
Professional fees	2,000	70
Sub-agent commission	-	98,000
	<hr/>	<hr/>
	<b>413,585</b>	<b>605,671</b>
<b>Net income for the year</b>	<hr/> <b>\$ -</b>	<hr/> <b>\$ -</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**BCIF Management Ltd.**  
**Non-Consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2003</b>	<b>2002</b>
<b>Cash provided by (used in)</b>		
<b>Operating activity</b>		
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	\$ (16,173)	\$ 2,319
<b>Financing activity</b>		
Advances from (repayment to) British Columbia Investment Fund Ltd.	<u>57,465</u>	<u>(33,203)</u>
<b>Increase (decrease) in cash during the year</b>	<b>41,292</b>	<b>(30,884)</b>
<b>Cash, beginning of year</b>	<u>53,331</u>	<u>84,215</u>
<b>Cash, end of year</b>	<u>\$ 94,623</u>	<u>\$ 53,331</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**BCIF Management Ltd.**  
**Summary of Significant Accounting Policies**

**March 31, 2003**

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**Basis of Consolidation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that they have not been consolidated with those of the Company's subsidiary. These principles have not been followed as the shareholder of the Company has access to all pertinent information concerning the resources and operations of the Company and its investee company.

Consolidated statements have been prepared for management and are available to the shareholder.

These financial statements are prepared on the basis of accounting for the investments in the subsidiary (British Columbia Investment Fund Ltd.) using the cost method.

**Financial Instruments**

The Company's financial instruments consist of cash, accounts payable, accrued liabilities, amounts due to its subsidiary and amounts due to the Ministry of Employment and Investment. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

**Use of Estimates**

The preparation of these non-consolidated financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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**BCIF Management Ltd.**  
**Notes to Non-Consolidated Financial Statements**

**March 31, 2003**

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**1. Nature of Operations**

BCIF Management Ltd. (the "Company") was incorporated under the British Columbia Company Act on December 23, 1994. The Company's name was changed from BCGF Management Ltd. to the present name on October 25, 1995. The Company was incorporated to provide fund management services to the Company's wholly-owned subsidiary, the British Columbia Investment Fund Ltd. (the "Fund"), and to facilitate the approval of the Fund as an Approved Fund under the Immigration Act and Regulations as prescribed in the Management Agreement attached to the Offering Memorandum of its subsidiary dated October 28, 1995 (the "Memorandum"). The Company is wholly-owned by the Province of British Columbia and is not subject to income taxes.

Pursuant to the Memorandum, the Company receives a commission equal to seven percent of the gross proceeds of the subscription amount received from the sale of each and every unit of the bond and may distribute all or part of the sales commission to any sub-agents. The Company also receives a management fee up to a maximum of three percent of the net book value of the Fund as at the end of the immediately preceding fiscal year.

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**2. Cash**

The Company's bank account is held at one chartered bank. The bank account earns interest at prime less 2.10%. During the year the account earned interest from 0% to 2.40%.

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**3. Due to British Columbia Investment Fund Ltd.**

The amounts due to the British Columbia Investment Fund Ltd. are unsecured, non-interest bearing, have no specific terms of repayment.

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**4. Due to the Ministry of Employment and Investment**

The amounts due to the Ministry of Employment and Investment are unsecured, non-interest bearing and have no specific terms of repayment.



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**BCIF Management Ltd.**  
**Notes to Non-Consolidated Financial Statements**

**March 31, 2003**

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**5. Share Capital**

	<u>2003</u>	<u>2002</u>
Authorized:		
100,000 Common shares, no par value		
Issued:		
100 Common shares	\$ 100	\$ 100

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**6. Related Party Transactions**

The following amounts were received from the British Columbia Investment Fund Ltd., a wholly-owned subsidiary:

	<u>2003</u>	<u>2002</u>
Management fees	\$ 413,585	\$ 507,671
Sales commission	\$ -	\$ 98,000

These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

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**7. Economic Dependence**

The Company's primary sources of revenue are sales commissions, management fees and reimbursement of expenses from its wholly-owned subsidiary, British Columbia Investment Fund Ltd. As a result, the economic viability of the Company is dependent upon the results achieved by British Columbia Investment Fund Ltd.