

Victoria Line Ltd.
Financial Statements
May 31, 2002

Victoria Line Ltd.

Statement of Management Responsibility

Management, in accordance with Canadian generally accepted accounting principles, has prepared the financial statements of *Victoria Line Ltd.* These statements present fairly the financial position of the Company as at May 31, 2002 and results of its operations for the period January 1, 2002 to May 31, 2002.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Report of the Auditor General outlines the scope of his audit and his opinion on the financial statements of *Victoria Line Ltd.*



Chris Nelson
President

Victoria, British Columbia
July 24, 2002



Report of the Auditor General of British Columbia

To the Shareholder of Victoria Line Ltd.:

I have audited the balance sheet of *Victoria Line Ltd.* as at May 31, 2002 and the statements of operations and retained earnings, and cash flows for the period January 1, 2002 to May 31, 2002. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of *Victoria Line Ltd.* as at May 31, 2002 and the results of its operations and its cash flows for the period January 1, 2002 to May 31, 2002 in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
July 24, 2002

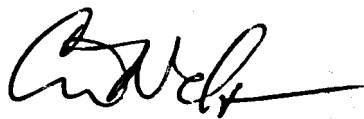
Wayne Strelieff, CA
Auditor General

Victoria Line Ltd.

Balance Sheet

As at	May 31, 2002		December 31,
	After wind-up (Note 2)	Before wind-up	2001
	\$	\$	\$
Assets			
Current			
Cash	-	180,193	97,525
Accounts receivable	-	682	925
Insurance claim	-	-	200,000
	-	180,875	298,450
Liabilities			
Current			
Accounts payable	-	-	91,593
	-	-	91,593
Shareholder's Equity			
Share capital (Note 5)	-	5	5
Retained earnings	-	180,870	206,852
	-	180,875	206,857
		180,875	298,450

Approved on behalf of the Board



Director

The accompanying notes are an integral part of these financial statements.

Victoria Line Ltd.
Statement of Operations and Retained Earnings

Period ended	May 31, 2002	December 31, 2001 (Note 6)
	\$	\$
Revenue		
Interest	983	6,651
Insurance claim	32,492	200,000
	33,475	206,651
Expenses		
General and administrative	15,365	7,300
Legal	44,092	19,415
	59,457	26,715
(Loss) income from operations	(25,982)	79,936
Retained earnings beginning of period	206,852	26,916
Retained earnings before transfer to the Province of British Columbia	180,870	
Transfer to the Province of British Columbia	(180,870)	-
Retained earnings end of the period	-	206,852

The accompanying notes are an integral part of these financial statements.

Victoria Line Ltd. Statement of Cash Flows

Period ended	May 31, 2002	December 31, 2001 (Note 6)
	\$	\$
Cash flows from operating activities		
Cash paid to suppliers and employees	(150,807)	(35,538)
Interest received	983	6,651
Insurance claim received	232,492	
Increase (decrease) in cash during the period	82,668	(28,887)
Cash beginning of period	97,525	126,412
Cash before transfer to the Province of British Columbia	180,193	97,525
Transfer to the Province of British Columbia	(180,193)	
Cash end of the period		97,525

The accompanying notes are an integral part of these financial statements.

Victoria Line Ltd.

Notes to the Financial Statements

May 31, 2002

1. Nature of business

Victoria Line Ltd. ("Company") was incorporated under the Canadian Business Corporation Act on May 5, 1975 and is wholly owned by the Province of British Columbia.

The Minister of Finance acts as fiscal agent for the Company. The Company is exempt from federal and provincial income taxes and the British Columbia corporation capital tax.

2. Cessation of operations

At a special meeting of the shareholders on December 5, 2000 a special resolution was passed liquidating and dissolving voluntarily the company under the provisions of the Canada Business Corporation Act. A certificate of intent to dissolve was issued to the Company pursuant to the Act on January 5, 2001. By resolution the corporation distributed its assets and liabilities as at May 31, 2002 to the Government of British Columbia.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

4. Related party transactions

The Company is presently related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, unless disclosed separately in these financial statements, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

The Ministry of Competition, Science and Enterprise and the Crown Agencies Secretariat provides managerial and administrative services to the Company. The cost of this support is not material and has not been recorded in these financial statements.

5. Share capital

The Company has authorized capital consisting of 50,000 common shares with no par value. The Minister of Transportation holds the five common shares issued as representative of Her Majesty the Queen in right of the Province of British Columbia.

6. Comparative figures

The comparative figures for December 31, 2001 are for 12 months.