

# Command International Holdings, LLC.

## COMMAND INTERNATIONAL HOLDINGS, LLC.

### ANNUAL REPORT AND ACCOUNTS 2000

#### Directors

Guy Evenor Jean Mamet  
Beryl Seeeyave - Papas  
Edward G. Caputo  
David R. Wheeland  
Steven L. Case

#### Secretary

Ernst & Young Financial Services Ltd.  
Louis Leconte Street  
Curepipe  
Mauritius

#### Auditors

Gaetan de Chazal, C.A.  
Louis Leconte Street  
Curepipe  
Mauritius

#### Registered Office

C/o Ernst & Young Financial Services Ltd.  
Louis Leconte Street  
Curepipe  
Mauritius

## directors' report

### to the members

The directors have pleasure in presenting their report together with the audited accounts of the company for the year ended December 31, 2000.

#### Principal Activity

The company's principal activity is that of investment holding.

#### State of Affairs

The company's net loss for the year ended December 31, 2000 is US \$ 14,319 (1999: Loss US \$ 14,319) and is set out in the attached accounts.

#### Dividend

The directors do not recommend the payment of a dividend for the current year.

#### Auditors

A resolution to re-appoint Gaetan de Chazal as auditor will be put to the members at the Annual General Meeting.

By Order of the Board

Ernst & Young Financial Services Ltd.  
Secretary

January 26, 2001

## report of the auditor

### to the shareholders

I have audited the attached accounts which have been prepared under the historical cost convention and on the basis of accounting policies, as set out in notes thereto.

#### Respective responsibilities of directors and auditors

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act, 1984 and the Mauritius Offshore Business Activities Act, 1992. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is my responsibility to form an independent opinion, based on the audit, on those accounts and to report my opinion to you.

#### Basis of opinion

I conducted my audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my 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 accounts are free from material misstatement. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

#### Opinion

In my opinion the accounts give a true and fair view of the state of affairs of the company as at December 31, 2000 and of its loss and cash flow statement for the year then ended and have been properly prepared in accordance with the Companies Act, 1984, the Mauritius Offshore Business Activities Act, 1992 and International Accounting Standards.

GAETAN DE CHAZAL, C.A.  
Curepipe,  
Mauritius

January 26, 2001

## balance sheet

### as at December 31, 2000

		US \$	
	Notes	31-Dec 2000	31-Dec 1999
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipments	4	<u>6,612</u>	<u>15,431</u>
Investment	5	<u>1,070,684</u>	<u>1,070,684</u>
<b>CURRENT ASSETS</b>			
Accounts receivables	6	<u>1,166</u>	<u>1,166</u>
Bank balance		<u>65</u>	<u>65</u>
		<u>1,231</u>	<u>1,231</u>
<b>TOTAL ASSETS</b>		<u><b>1,078,527</b></u>	<u><b>1,087,346</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	9	<u>100</u>	<u>100</u>
Revenue Deficit		<u>(182,553)</u>	<u>(168,234)</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<u><b>(182,453)</b></u>	<u><b>(168,134)</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Payable to holding company	8	<u>1,238,380</u>	<u>1,238,380</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	7	<u>22,600</u>	<u>17,100</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,078,527</b></u>	<u><b>1,087,346</b></u>

The notes as below form part of these accounts.

These accounts have been approved by the Board of directors on January 26, 2001

GUY EVENOR JEAN MAMET  
BERYL SEEYAVE - PAPAS

## income statement

### for the year ended December 31, 2000

	US \$	
	31-Dec 2000	31-Dec 1999
Revenue	—	—
<b>Operating Loss</b>	<u><b>(14,319)</b></u>	<u><b>(14,319)</b></u>
Loss on Ordinary Activities Before and after Income Tax	<u><b>(14,319)</b></u>	<u><b>(14,319)</b></u>
<b>Loss for the year</b>	<u><b>(14,319)</b></u>	<u><b>(14,319)</b></u>

The notes as below form part of these accounts.

## statement of changes in equity

for the year ended December 31, 2000

	US \$		
	Share Capital	Revenue Deficit	Total
At January 01, 1999	100	(1,53,915)	(1,53,815)
Loss For The Year	—	(14,319)	(14,319)
At December 31, 1999	100	(168,234)	(168,134)
Loss For The Year	—	(14,319)	(14,319)
At December 31, 2000	100	(182,553)	(182,453)

The notes as below form part of these accounts.

## notes to the accounts

as at December 31, 2000

### 1. ACTIVITY

The company is incorporated in the Republic of Mauritius as an offshore company. It is an investment holding company.

### 2. ACCOUNTING POLICIES

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

#### (a) Basis of Accounting

The accounts of the company, which are expressed in United States of America dollars, are prepared under the historical cost convention and in accordance with International Accounting Standards.

#### (b) Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies are translated into United States of America dollars at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences taken to the income statement.

#### (c) Investment

Investment excluding marketable securities is stated at cost and provision is only made where, in the opinion of the Directors, there is a permanent diminution in value. Where there has been a permanent diminution in value of an investment, it is recognised as an expense in the period in which the diminution is identified.

#### (d) Interest income

Interest income is included in the income statements of the accounting period in which it is received.

#### (e) Depreciation

Depreciation is calculated on a straight-line basis over estimated useful lives of the assets.

Office equipment 5 years

### 3. GENERAL

Command International Holdings is a wholly owned subsidiary of Command Systems Inc., a company incorporated in the United States of America, which is the ultimate holding company.

### 4. PROPERTY, PLANT AND EQUIPMENT

Office Equipment  
US \$

#### COST

At January 1, 2000	44,093
At December 31, 2000	44,093

#### DEPRECIATION

At January 1, 2000	28,662
Charge for the year	8,819
At December 31, 2000	37,481

#### NET BOOK VALUE

At December 31, 2000	6,612
At December 31, 1999	15,431

### 5. INVESTMENT(UNQUOTED)

2000 US \$ 1999 US \$

Balance at the beginning of the year	1,070,684	1,070,684
Addition during the year	—	—
Balance at the end of the year	1,070,684	1,070,684

99.999 % equity shares in Command International Software.

No dividends have been received in respect of the investment made during the year.

### 6. ACCOUNTS RECEIVABLE

2000 US \$ 1999 US \$

Prepaid expenses	1,166	1,166
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### 7. ACCOUNTS PAYABLE

2000 US \$ 1999 US \$

Accruals	20,100	14,600
Other payables	2,500	2,500
	22,600	17,100

### 8. PAYABLE TO HOLDING COMPANY

2000 US \$ 1999 US \$

Amount due to Command Systems Inc.	1,238,380	1,238,380
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On July 1, 1996, Command Systems Inc. and Command International Holding entered into a note purchase agreement with a related party under which CIH can authorize the issuance and sale from time to time of up to \$ 3 million (U.S. dollars) aggregate principal amount of its 15% Guaranteed Senior Secured Notes (M Notes) and the capitalization of accrued interest on such notes. Payment and performance obligations under the agreement are guaranteed by Command Systems Inc. and its sole shareholder. At December 31, 1997, outstanding debt on the M Notes amounted to \$ 1,115,093. Repayment of the debt is due in 2001. On August 26, 1997, Command Systems, Inc. (Command) entered into an agreement with Phoenix Home Life Mutual Insurance Co. (Phoenix) whereby Command issued to Phoenix, shares of its Series A convertible preferred stock in exchange for the aggregate outstanding indebtedness of US \$ 1,238,380 of the M Note, including accrued capitalised interest of US \$ 113,287.

### 9. SHARE CAPITAL

2000 US \$ 1999 US \$

Authorized		
100 Ordinary shares at US\$ 1 each	100	100
Issued		
100 Ordinary shares at US\$ 1 each	100	100

### 10. TAXATION

The company being an Offshore company for the purpose of the Mauritius Offshore Business Activities Act, 1992, is liable to tax in Mauritius at the rate of 0% unless it elects to pay tax at specified rates not exceeding 35%.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritius tax laws.