

**BOOK POST**  
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**QUARTERLY REPORT**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007  
(Un-audited)



*If undelivered, please return to:*

**AMZ Ventures Limited**

19th Floor, Tower B, Saima Trade Towers  
I.I. Chundrigar Road,  
Karachi-74000, Pakistan

**AMZ Ventures Limited**

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<b>Board of Directors</b>	Mr. Athar Haneef Naseem Shaikh Ms. Fauzia Hasnain Mr. Inaam-ul-Haque Mr. Yacoob Shakoor Tabani Mr. Shahid Hafeez Ahmed Mr. Uzair Ahmed Khan Mr. Dawood Nasir Paul	Chairman & Chief Executive Director Director Director Director Director Director
<b>Audit Committee</b>	Mr. Yacoob Shakoor Tabani Mr. Gohar Sharif Butt Ms. Fauzia Hasnain	Chairman Member Member
<b>Chief Financial Officer &amp; Co. Secretary</b>	Mr. Muhammad Shahid Jamal	
<b>Chief Internal Auditor</b>	Mansoor Aslam Seraj Saleem Chartered Accountants	
<b>Legal Advisors</b>	Mohsin Tayebaly & Co. Barristers & Advocates	
<b>Auditors</b>	Anjum Asim Shahid Rahman Chartered Accountants (A Member of Grant Thornton International)	
<b>Share Registrars</b>	THK Associates (Pvt.) Ltd. Ground Floor, Statelife Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530.	
<b>Registered Office</b>	19th Floor, Tower B, Saima Trade Towers I.I. Chundrigar Road Karachi-74000, Pakistan Phone : (9221) 111-269-111 Fax: (9221) 2219760 Websites : <a href="http://www.amzventures.com">www.amzventures.com</a> <a href="http://www.amzt.com">www.amzt.com</a> <a href="http://www.gonetbpo.com">www.gonetbpo.com</a> <a href="http://www.amzdirect.com">www.amzdirect.com</a> E-mails : <a href="mailto:info@khi.go.net.pk">info@khi.go.net.pk</a> <a href="mailto:info@gonetbpo.com">info@gonetbpo.com</a> <a href="mailto:info@amzt.com">info@amzt.com</a> <a href="mailto:info@amzaccess.com">info@amzaccess.com</a>	

**DIRECTORS' REPORT**

On behalf of the Board, I would like to present your company's first quarter, un-audited financial statements for the period ended September 30, 2007.

AMZVL's first venture investment has been in the area of Information Technology (IT). With the ongoing restructuring AMZVL is looking at new areas for investing which have been highlighted in the annual accounts for the period ending June 30th, 2007. The financial statements of AMZVL reflect a consolidation of the financial performance of AAPL as well as its US based subsidiaries.

**Operation Review**

While, on the one hand, substantial reduction has taken place in expenses of AMZ Access (Pvt) Limited (AAPL), the Company has also changed its focus with regard to revenue generation activities being undertaken by it at the present time, as well as in the not too distant future.

The Company is presently negotiating a joint venture with an established group in Sri Lanka to launch a mobile payment system initially in Sri Lanka, followed by other countries. This is an exciting development as the core technology platform for the SMS banking product has been developed by AAPL. This business model will enable your company to unlock the inherent value of the SMS banking software. SAPIENCE, which is a high level business intelligence tool, remains the Company's flagship product. We have already sold the product to companies in the pharmaceutical sector in Pakistan, and while continuing our efforts to market pharmaceutical companies for sale of SAPIENCE, we also plan to target companies in the financial and FMCG sectors for this purpose. Additionally we plan to jointly market a modified version of this product in the GCC region, in conjunction with a software marketing company which is headquartered in Dubai.

As described fully in Directors' Report of Annual Accounts 2007, the essence of a venture capital company is to fund / invest in numerous ventures, in order to spread its risk, and balance out its returns. Keeping this in view, the Management of AMZVL has changed its strategy somewhat, and decided that while the company would continue its efforts to revive its existing venture, it should also consider conducting investments in companies (referred to as "Portfolio Companies") which are in the IT as well as other business sectors. The core ideology behind the portfolio company concept is to establish a "club" of likeminded companies which can interact to establish synergies within the club for cross-selling of products or establishing common networks for product sales and distribution or indeed share resources for establishing contacts with funding agencies in Pakistan or abroad. The ultimate aim and objective of AMZVL is to increase the value of the said companies, and thereafter exit (either by trade sale to an interested party, or via an initial public offering) in order to book capital gains on the said deal. Other than eventual capital gains your company expects to generate revenues by providing specialized advisory services to the portfolio companies.

The first portfolio company which has joined AMZVL is Softronic (Pvt.) Limited which is a member company of the Kohinoor Group of Companies. Softronic is a leading provider of software solutions in the area of Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Human Resource Planning. It is now anticipated that Softronic will join AMZVL's existing portfolio companies AAPL and Apvision in offering integrated software solutions to the business community. AMZVL is also in negotiation with four other companies who may join AMZVL's concept of a portfolio company.

**Financial Review**

Financial results for the quarter July to September 2007 both on an individual and consolidated basis are as follows:

**July - September  
2007  
(Rupees in Million)**

	AMZVL Only	Consolidated
Turnover	3,298	11,758
Cost of Services	-	(7,330)
Gross Profit	3,298	4,427
Other Income	-	0,444
Administrative expenses	(0,633)	(9,710)
Marketing and distribution expenses	-	(0,161)
Amotization of Intangibles	-	(6,414)
Finance Cost	(6,381)	(8,310)
Loss before Tax	(3,715)	(19,724)
Taxation	-	-
Loss after taxation	(3,715)	(19,724)
Loss per share	(0.12)	(0.66)

As a result of strict cost controls and improved strategies, on a consolidated basis; during the quarter under review the company has earned a gross profit of Rs. 4.4 million as compared to a gross loss of Rs. (7.093) million during the same quarter in the year 2006. Administrative expenses have been reduced to Rs. 9.7 million as compared to Rs. 16.186 million during the comparative quarter of the last year. Loss after tax and loss per share have also been reduced from Rs. (38.90) million to Rs. (19.72) million and from Rs. (1.290) million to Rs. (0.66) million respectively as compared to the same quarter of the last year. The Management is confident that the factors mentioned above in Operational Review would result in gradually improved operating results for the Company in the coming quarters.

**Acknowledgement**

The Board takes this opportunity to thank its valued shareholders for their patronage and their continued patience in these difficult circumstances. We would like to place on record our appreciation for the help of the Karachi Stock Exchange, Securities & Exchange Commission of Pakistan, State bank of Pakistan and other regulatory authorities for their support and guidance.

For and on behalf of the Board of Directors

Athar Haneef Naseem Shaikh  
Chairman & Chief Executive

Date : October 31, 2007

**BALANCE SHEET**  
 AS AT SEPTEMBER 30, 2007  
 (UN-AUDITED)  
 September 30, June 30,  
 2007 2007  
 ----- Rupees -----

**ASSETS****Non-current assets**

Fixed assets	38,610,934	38,701,741
Long term investment	304,128,440	304,128,440
Deferred costs	665,574	760,656
Long term deposits	200,000	200,000
<b>Total non-current assets</b>	<b>343,604,948</b>	<b>343,790,837</b>

**Current assets**

Current maturity of long term loans	80,000,000	80,000,000
Short term loan and advances	15,383,605	21,311,254
Prepayments	524,274	1,048,547
Other receivables	35,100	35,100
Cash and bank balances	768,535	207,116

**Total current assets**

	96,711,514	102,602,017
<b>TOTAL ASSETS</b>	<b>440,316,462</b>	<b>446,392,854</b>

**EQUITY AND LIABILITIES**

<b>Authorized share capital</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>
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Issued, subscribed and paid-up capital	300,000,000	300,000,000
Accumulated loss	(44,493,262)	(40,778,090)

**Total equity**

	255,506,738	259,221,910
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**Non-current liabilities**

Long term finances	135,000,000	135,000,000
Liabilities against assets subject to finance lease	26,504,244	28,315,307
<b>Total non-current liabilities</b>	<b>161,504,244</b>	<b>163,315,307</b>

**Current liabilities**

Current maturity of liabilities against assets subject to finance lease	5,680,890	4,873,312
Short term finances	9,150,000	7,750,000
Accrued liabilities and other payables	2,696,823	2,120,020
Accrued financial charges	5,777,767	9,112,305

**Total current liabilities**

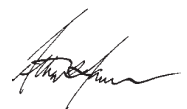
	23,305,480	23,855,637
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**Total liabilities**

	184,809,724	52,170,944
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Contingencies and commitments

	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>440,316,462</b>	<b>446,392,854</b>



Chief Executive



Director

**PROFIT AND LOSS ACCOUNT**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007  
 (UN-AUDITED)  
 September 30, September 30,  
 2007 2006  
 ----- Rupees -----

Revenue - net	3,298,679	3,512,175
Administrative expenses	(632,572)	(2,462,598)
Finance cost	(6,381,279)	(4,983,789)
	(7,013,851)	(7,446,387)
	(3,715,172)	(3,934,212)
Other income	-	-
<b>Loss before taxation</b>	<b>(3,715,172)</b>	<b>(3,934,212)</b>
Taxation	-	-
Loss for the period	(3,715,172)	(3,934,212)
Loss per share - basic and diluted	(0.12)	(0.13)



Chief Executive



Director

**CASH FLOW STATEMENT**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007  
 (UN-AUDITED)

 September 30, September 30,  
 2007 2006  
 ----- Rupees -----
**Cash flows from operating activities:**

Loss for the period before taxation	(3,715,172)	(3,934,212)
Adjustment for:		
Depreciation	90,807	100,470
Amortization of deferred costs	95,082	71,312
Write off	-	-
Finance cost	5,857,005	4,983,789
Loss before working capital changes	2,327,722	1,221,359

**Working capital changes****(Increase) / decrease in current assets**

Advances	5,927,649	2,039,142
Prepayments	524,273	-
Other receivable	-	33,750

**Increase in current liabilities**

Short Term Finance	1,400,000	-
Other payables	576,803	1,856,614
Accrued Financial Charges	(3,334,539)	-
<b>Net cash (used in) / from operating activities</b>	<b>10,756,447</b>	<b>5,150,865</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Deferred Cost	-	-
Long term loan provided	-	-
Purchase of fixed assets	-	-
Net cash used in investing activities	-	-

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term finances	-	-
Short term finance received/(paid)	-	-
Finance cost paid	(9,191,544)	(3,535,447)
Repayment of lease liabilities	(831,482)	(1,601,490)
<b>Net cash (used in) / from financing activities</b>	<b>(10,023,026)</b>	<b>(5,136,937)</b>

**Net increase / (decrease) in cash and cash equivalents**


Cash and cash equivalents at the beginning of the period	733,421	13,928
<b>Cash and cash equivalents at the end of the period</b>	<b>35,114</b>	<b>21,186</b>
	<b>768,535</b>	<b>35,114</b>

**STATEMENT OF CHANGES IN EQUITY**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007  
 (UN-AUDITED)
**Issued, subscribed and paid up capital**


	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total	Accumulated loss	Total Equity
-----Rupees-----					
<b>Balance as at June 30, 2006</b>	225,000,000	75,000,000	300,000,000	(24,403,506)	275,596,494
Shares issued for cash	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-
Net loss for the period	-	-	-	(3,934,212)	(3,934,212)
<b>Balance as at September 30, 2006</b>	<b>225,000,000</b>	<b>75,000,000</b>	<b>300,000,000</b>	<b>(28,337,718)</b>	<b>271,662,282</b>
<b>Balance as at June 30, 2007</b>	225,000,000	75,000,000	300,000,000	(40,778,090)	259,221,910
Shares issued for cash	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-
Net loss for the year	-	-	-	(3,715,172)	(3,715,172)
<b>Balance as at September 30, 2007</b>	<b>225,000,000</b>	<b>75,000,000</b>	<b>300,000,000</b>	<b>(44,493,262)</b>	<b>255,506,738</b>

The annexed notes form an integral part of these financial statements.

  
 Chief Executive

  
 Director

  
 Chief Executive

  
 Director

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007 (UN-AUDITED)**

1. AMZ Ventures Limited was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the company is situated at 19th Floor, Tower B, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan. The company is licensed to undertake Venture Capital Investments business as a Non-Banking Finance Company in accordance with Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules").

The principal activity of the company is to invest in rapidly growing companies, purchase equity securities, assist in the development of new products or services and also to add value to a company through active participation or to act as a management company for the management of venture capital fund.

The Securities and Exchange Commission of Pakistan (SEC) has allowed the company to expose more than forty per cent of its equity attributable to venture capital investment segment to any single person or group of companies, in relaxation of Rule 22 (a) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules.

2. These financial statements are being submitted to the shareholders as required under section 245 of the Companies (Amendment) Ordinance, 2002. These have been prepared in compliance with the International Accounting Standard 34 'Interim Financial Reporting'.
3. The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2007.

**September 30,    June 30,  
 2007                  2007  
 ----- Rupees -----**

**4. LONG TERM INVESTMENT**
**Investment in related party - at cost**
**Unquoted**

AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited] - a subsidiary company 30,412,844 (2007: 30,412,844) fully paid ordinary shares of Rs. 10/- each

304,128,440    304,128,440

- 4.1 This represents investment in a 99.71% owned subsidiary AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited], a limited liability company incorporated in Pakistan. The investment in subsidiary is stated at cost.
- 4.2 No impairment has been provided in these financial statements as the management is confident that the value-in-use to be derived from projected future dividends will exceed the current carrying value.

- 4.3 The Securities and Exchange Commission of Pakistan (SEC) vide its letter No. NBFC / MF-DD(R) / 642 / 2004 dated July 27, 2004 has permitted the company to issue its 7.5 million ordinary class 'B' shares @ Rs.10/- each against consideration otherwise than in cash, that is, against acquisition of 7.5 million ordinary shares of AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited] at Rs.10/- each, in relaxation of Rule 7 (2) (i) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules and Rule 8 of the Companies (Issue of Capital) Rules, 1996.

- 4.4 The company initially as outlined in note 4.3 above created its shareholding in AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited] through an exchange of shares and subsequently made further investments through cash amounting to Rs. 304,128,440.

**September 30,    June 30,  
 2007                  2007  
 ----- Rupees -----**

**5. AUTHORISED SHARE CAPITAL**
**Number of ordinary  
 shares of Rs.10/- each  
 2007                  2007**

92,500,000	92,500,000 Ordinary class A shares of Rs.10/- each	925,000,000	925,000,000
<u>7,500,000</u>	7,500,000 Ordinary class B shares of Rs.10/- each	<u>75,000,000</u>	<u>75,000,000</u>
<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

**6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**
**Number of ordinary  
 shares of Rs.10/- each  
 2007                  2007**

22,500,000	22,500,000 Ordinary class A shares of Rs.10/- each fully paid in cash	225,000,000	225,000,000
7,500,000	7,500,000 Ordinary class B shares of Rs.10/- each for consideration other than cash - Share Swap	75,000,000	75,000,000
<u>30,000,000</u>		<u>300,000,000</u>	<u>300,000,000</u>

**7. LOSS PER SHARE**

**Basic**

Loss per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year as follows:

	<b>September 30, 2007</b>	<b>September 30, 2007</b>
	----- Rupees -----	
Net loss for the year / period attributable to ordinary shareholders	<u>(3,715,172)</u>	<u>(3,934,212)</u>
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>
Loss per share	<u>(0.12)</u>	<u>(0.13)</u>

**Dilutive**

No figure for diluted loss per share has been presented as the impact of dilution on the net loss attributable to ordinary shareholders would be anti dilutive.

**8. GENERAL**

8.1 These financial statements were authorized for issue by the Board of Directors on October 31, 2007.

8.2 Figures have been rounded off to the nearest rupee.



# AMZ Ventures Limited and Subsidiaries

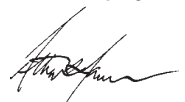
## Consolidated Financial Statements (Un-Audited)


For the period ended  
September 30, 2007

**CONSOLIDATED BALANCE SHEET**  
 AS AT SEPTEMBER 30, 2007  
 (UN-AUDITED)

 September 30, 2007      June 30, 2007  
 ----- Rupees -----
**ASSETS**

<b>Non-current assets</b>		
Fixed assets	160,007,535	164,751,702
Long term advances	-	-
Deferred costs	4,999,064	5,713,212
Long term deposits	5,301,831	5,301,831
<b>Total non-current assets</b>	170,308,430	175,766,745
<b>Current assets</b>		
Current maturity of non-current assets	127,586	127,586
Trade debts	20,832,168	21,414,585
Advances	2,692,107	2,681,468
Trade deposits and prepayments	873,470	1,364,493
Other receivables	105,989	260,461
Cash and bank balances	3,372,459	2,346,306
<b>Total current assets</b>	28,003,779	28,194,899
<b>Total assets</b>	<u>198,312,209</u>	<u>203,961,644</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Authorized share capital</b>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Equity attributable to equity holders of the parent		
Issued, subscribed and paid-up share capital	300,000,000	300,000,000
Accumulated loss	(457,797,229)	(438,138,508)
Exchange difference on translation of foreign operations	(675,642)	(225,091)
	(158,472,871)	(138,363,599)
Minority interest	(496,633)	(429,657)
<b>Total equity</b>	(158,969,504)	(138,793,256)
<b>Non-current liabilities</b>		
Liabilities against assets subject to finance lease	32,448,451	35,025,973
Long term loan	157,243,462	172,993,462
Deferred income	185,014	211,447
Long term deposits	278,556	278,556
<b>Total non-current liabilities</b>	190,155,483	208,509,438
<b>Current liabilities</b>		
Trade and other payables	49,291,627	41,886,412
Accrued financial charges	7,963,934	11,298,473
Short term finances	68,641,679	56,479,746
Current maturity of non-current liabilities	40,396,786	23,748,627
Provision for taxation	832,204	832,204
<b>Total current liabilities</b>	167,126,230	134,245,462
<b>Total liabilities</b>	357,281,713	342,754,900
Contingencies and commitments	-	-
<b>Total equity and liabilities</b>	<u>198,312,209</u>	<u>203,961,644</u>

  
 Chief Executive


  
 Director

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007  
 (UN-AUDITED)

 Sep 30, 2007      Sep 30, 2006  
 ----- Rupees -----

Revenue - net	11,758,535	19,281,227
Cost of services	(7,330,782)	(26,374,805)
Gross profit / (loss)	4,427,752	(7,093,578)
Marketing and distribution expenses	(160,502)	(1,338,608)
Administrative expenses	(9,710,415)	(16,186,344)
Other operating income	444,207	439,232
	(9,426,710)	(17,085,720)
Operating loss	(4,998,957)	(24,179,298)
Amortization of intangible assets	(6,414,535)	(5,653,267)
Gain / (loss) on sale of fixed assets - net	-	-
Finance cost	(8,310,712)	(9,059,744)
Loss before taxation and minority interest	(19,724,205)	(38,892,309)
Income tax expense	-	(9,494)
Loss after taxation	(19,724,205)	(38,901,803)
Attributable to:		
Equity holders of the parent	19,658,721	(38,775,829)
Minority interest	65,484	125,974
	19,724,205	(38,901,803)
Loss per share	(0.66)	(1.29)

  
 Chief Executive

  
 Director

**CONSOLIDATED CASH FLOW STATEMENT**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007

(UN-AUDITED)

 September 30, September 30,  
 2007 2006

----- Rupees -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss for the period before taxation	(19,724,205)	(38,892,309)
Adjustment for:		
Depreciation	3,650,987	3,735,748
Amortization of deferred costs	714,148	5,653,267
Amortization of intangible assets	6,414,535	-
Amortization of deferred income	(26,433)	(26,432)
Provision for doubtful debts	-	-
Provision for bad debts - executives	-	-
Write offs	-	-
(Gain)/Loss on sale of fixed assets - net	-	-
Finance cost	8,256,836	9,059,744
<b>Cash used in operations before working capital changes</b>	<b>(714,132)</b>	<b>(20,469,982)</b>
<b>Working capital changes</b>		
(Increase) / decrease in current assets	-	-
Trade debtors	582,417	(556,326)
Advances	(10,639)	(163,011)
Deposits and prepayments	491,023	-
Other receivables	154,472	1,782,910
(Decrease) / Increase in current liabilities	-	-
Trade and other payables	4,070,676	(3,772,430)
<b>Cash used in operations after working capital changes</b>	<b>4,573,817</b>	<b>(23,178,839)</b>
Decrease in long term advances	-	74,990
(Decrease) in long term deposits - liability	-	(150,000)
(Decrease) in long term deposits and deferred cost	-	(585,348)
Income tax paid	(14,639)	-
<b>Net cash used in operating activities</b>	<b>4,559,178</b>	<b>(23,839,197)</b>


**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	-	(45,000)
Proceeds from sale of property, plant and equipment	-	-
Cost incurred for development of intangible assets	-	-
Increase in capital work in progress	-	-
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>(45,000)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term finance received	-	500,000
Long term finance settled	-	-
Short term finance received	12,161,933	-
Short term finance settled	-	-
Finance cost paid	(13,563,552)	(5,816,967)
Repayment of lease liabilities	(1,679,363)	(2,782,518)
<b>Net cash generated from financing activities</b>	<b>(3,080,982)</b>	<b>(8,099,485)</b>
Effect of exchange rate changes on value of foreign operations	(452,043)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,026,153</b>	<b>(31,983,682)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,346,306</b>	<b>34,984,288</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,372,459</b>	<b>3,000,606</b>

  
 Chief Executive


  
 Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007

(UN-AUDITED)

	Attributable to equity holders of the parent							Total equity
	Share Capital			Accumulated loss	Exchange difference on translation of foreign operations	Minority interest	Total	
	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total					
	----- Rupees -----							
Balance as at July 01, 2006	225,000,000	75,000,000	300,000,000	(287,048,626)	(97,084)	12,854,290	74,057	12,928,346
Share issued for cash	-	-	-	-	-	-	-	-
Share issued for consideration other than cash	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	(38,775,828)	(78,369)	(38,854,197)	(351)	(38,854,548)
Balance as at Sep 30, 2006	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(325,824,454)</u>	<u>(175,453)</u>	<u>(25,999,907)</u>	<u>(52,268)</u>	<u>12,723,653</u>
Balance as at July 01, 2007	225,000,000	75,000,000	300,000,000	(438,138,508)	(225,091)	(138,363,599)	(429,657)	(138,793,256)
Net loss for the period	-	-	-	(19,658,721)	-	(19,658,721)	(65,484)	(19,724,205)
Exchange Loss	-	-	-	-	-	(450,551)	(1,492)	(1,492)
Balance as at Sep 30, 2007	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(457,797,229)</u>	<u>(675,642)</u>	<u>(158,022,320)</u>	<u>(496,633)</u>	<u>(158,518,953)</u>

  
 Chief Executive

  
 Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2007 (UN-AUDITED)**

1. AMZ Ventures Limited was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the company is situated at 19th Floor, Tower B, Saima Trade Tower, I. I. Chundrigar Road Karachi, Pakistan. The company is licensed to undertake Venture Capital Investments businesses as a Non-Banking Finance Company in accordance with Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules").

The principal activity of the company is to invest in rapidly growing companies, purchase equity securities, assist in the development of new products or services and also to add value to a company through active participation or to act as a management company for the management of venture capital fund.

The Securities and Exchange Commission of Pakistan (SEC) has allowed the company to expose more than forty per cent of its equity attributable to venture capital investment segment to any single person or group of companies, in relaxation of Rule 22 (a) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules.

AMZ Ventures Limited acquired AMZ Access (Private) Limited (Formerly Go Internet & Software Services (Private) Limited) on July 28, 2004. AMZ Access (Private) Limited was incorporated in Pakistan on June 09, 2000 under the Companies Ordinance, 1984 as a private limited company. The principal activity of AMZ Access (Private) Limited is Business Process Outsourcing (BPO) which includes medical transcription, medical billing, call centres, software development etc. and internet services. AMZ Access (Private) Limited has established its subsidiary AMZ Access Inc. USA on May 24, 2004. The principal activity of AMZ Access Inc. is to directly and/or indirectly acquire, manage and/or maintain the business of business processing outsourcing. AMZ Access Inc. has made its first acquisition of Global Transcriptions in USA on October 01, 2004.

2. These financial statements have been prepared in compliance with the International Accounting Standard 34 'Interim Financial Reporting' as applicable in Pakistan.
3. The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2007.
4. The consolidated financial statements comprise the financial statements of AMZ Ventures Limited and its subsidiary AMZ Access (Private) Ltd. and its allied subsidiaries. The financial statements of the parent and subsidiary companies were prepared upto the same reporting date using consistent accounting policies and are combined on a line by line basis.

The financial statements of the subsidiaries have been consolidated from the date on which control was transferred to the company.

All intercompany balances, transactions and resulting unrealized profits, if any, are eliminated.

Minority interest represents the interests in AMZ Access (Private) Limited, not held by the group.

**5. Tangible fixed assets**

Tangible fixed assets comprise of furniture and fixtures, computers, office equipments, communication equipments, medical transcription equipments, network equipment. It also include leased vehicles and lease hold property at 16th floor, Tower-B, Saima Trade Towers, I. I. Chundrigar Road, Karachi.

**6. Intangible assets**
**Goodwill**

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the subsidiary at the date of acquisition. Goodwill is amortized on a straight-line basis over its useful economic life not exceeding 20 years. Goodwill is stated at cost less accumulated amortization and any impairment in value.

**Software**

These are stated at cost less accumulated amortization and impairment, if any.

Amortization (except for goodwill mentioned above) is provided on a straight-line basis and is being amortized over a period of 3 years starting from July 1, 2005.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicated that the carrying values may not be recoverable.

**Contractual obligations**

These are binding revenue generating contractual obligations.

## 7. Loss per share

### Basic

Basic earning per share are calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year as follows:

	September 30, 2007	September 30, 2006
	----- Rupees -----	
Net loss for the year / period attributable to ordinary shareholders	<u>(19,658,721)</u>	<u>(38,775,828)</u>
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>
Loss per share	<u>(0.66)</u>	<u>(1.29)</u>

### Dilutive


No figure for diluted earning / loss per share has been presented as the company has not yet issued any instruments which would have an impact on earnings per share when exercised.

## 9. General

9.1 These financial statements were authorized for issue by the Board of Directors on October 31, 2007.

9.2 Figures have been rounded off to the nearest rupee.

  
 Chief Executive

  
 Director