

**Fintry Enterprises Inc.**  
**(formerly Jenosys Enterprises Inc.)**  
**FINANCIAL STATEMENTS**  
**March 31, 2005**



## AUDITORS' REPORT

To the Shareholders of  
Fintry Enterprises Inc.

We have audited the balance sheets of Fintry Enterprises Inc. (formerly Jenosys Enterprises Inc.) as at March 31, 2005 and 2004 and the statements of loss and deficit and cash flow for the years 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 audits.

We conducted our audits 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 financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2005 and 2004 and the results of its operations and cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

***"D&H Group LLP"***

Vancouver, B.C.  
June 8, 2005

**Chartered Accountants**

D&H Group LLP

a British Columbia Limited Liability Partnership of Corporations

A Member of BHD Association with affiliated offices across Canada and Internationally

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**Fintry Enterprises Inc.**  
**(formerly Jenosys Enterprises Inc.)**

**BALANCE SHEETS**

	March 31	
	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 9,029	\$ -
Amounts receivable	1,066	297
Prepaid expenses	<u>1,338</u>	<u>-</u>
	\$ <u>11,433</u>	\$ <u>297</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 268,926	\$ 301,716
Promissory notes payable (Notes 3 and 6)	25,899	25,899
Convertible debentures (Notes 4 and 6)	<u>1,325,000</u>	<u>1,325,000</u>
	<u>1,619,825</u>	<u>1,652,615</u>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 5)	6,114,611	6,018,685
CONTRIBUTED SURPLUS	12,451	12,451
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	114,000	114,000
RETAINED EARNINGS (DEFICIT)	<u>(7,849,454)</u>	<u>(7,797,454)</u>
	<u>(1,608,392)</u>	<u>(1,652,318)</u>
	\$ <u>11,433</u>	\$ <u>297</u>
GOING CONCERN (Note 1)		
SUBSEQUENT EVENT (Note 11)		

*See accompanying summary of accounting policies and notes to financial statements.*

Approved by the Board           "Greg Andrews"           Director           "Bob Nowell"           Director

**Fintry Enterprises Inc.**  
**(formerly Jenosys Enterprises Inc.)**  
**STATEMENTS OF LOSS AND DEFICIT**

	Years ended March 31	
	<u>2005</u>	<u>2004</u>
EXPENSES		
Administrative	\$ 73,226	\$ 311,169
Interest	<u>10,986</u>	<u>46,008</u>
INCOME (LOSS) BEFORE OTHER ITEM	(84,212)	(357,177)
OTHER ITEM		
Gain on settlement of debt	<u>32,212</u>	<u>—</u>
INCOME (LOSS) BEFORE DISCONTINUED OPERATION	(52,000)	(357,177)
LOSS FROM DISCONTINUED OPERATION	<u>—</u>	<u>(84,831)</u>
NET INCOME (LOSS) FOR THE YEAR	(52,000)	(442,008)
RETAINED EARNINGS (DEFICIT), beginning of year	<u>(7,797,454)</u>	<u>(7,355,446)</u>
RETAINED EARNINGS (DEFICIT), end of year	\$ <u>(7,849,454)</u>	\$ <u>(7,797,454)</u>
EARNINGS (LOSS) PER SHARE, basic and diluted	\$ <u>(0.02)</u>	\$ <u>(0.16)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	<u>2,870,706</u>	<u>2,821,647</u>

*See accompanying summary of accounting policies and notes to financial statements.*

**Fintry Enterprises Inc.**  
**(formerly Jenosys Enterprises Inc.)**

**STATEMENTS OF CASH FLOW**

	Years ended March 31	
	2005	2004
<b>CASH FLOW FROM (USED IN) OPERATING ACTIVITIES</b>		
Net income (loss) for the year	\$ (52,000)	\$ (442,008)
Adjustments to reconcile net cash provided by operating activities		
Net effect of discontinued operation	-	337,750
Gain on settlement of debt	(32,212)	-
Decrease (increase) in		
Amounts receivable	(769)	-
Prepaid expenses	(1,338)	-
Increase (decrease) in		
Accounts payable and accrued liabilities	<u>32,848</u>	<u>-</u>
	<u>(53,471)</u>	<u>(104,258)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(3,039)
Cash held by bankrupt subsidiary	<u>-</u>	<u>(591)</u>
	<u>-</u>	<u>(3,630)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Notes advanced	62,500	-
Advances under promissory notes	-	120,040
Repayment of promissory notes payable	-	(32,900)
Repayments on obligations under capital leases	<u>-</u>	<u>(8,751)</u>
	<u>62,500</u>	<u>78,389</u>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	9,029	(29,499)
CASH, beginning of year	<u>-</u>	<u>29,499</u>
CASH, end of year	\$ <u>9,029</u>	\$ <u>-</u>

See Note 10.

*See accompanying summary of accounting policies and notes to financial statements.*

# Fintry Enterprises Inc.

(formerly Jenosys Enterprises Inc.)  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2005 and 2004

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## 1. GOING CONCERN

Fintry Enterprises Inc. (the "Company") is incorporated under the laws of the Province of British Columbia. During the 2005 fiscal year the Company changed its name from Jenosys Enterprises Inc.

At March 31, 2005 the Company had no business operations and no significant assets. Management is in the process of attempting to settle the outstanding liabilities and retain the value of the Company's public stock market listing.

## 2. ACCOUNTING POLICIES

### Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

### Basis of consolidation

These financial statements include the accounts of the Company and, in the year ending March 31, 2004, its wholly-owned bankrupt subsidiary, Jenosys Technologies Inc., up to December 18, 2003 which is the point in time the subsidiary ceased business operations.

### Earnings (loss) per share

Earnings (loss) per share is calculated using the weighted average number of common shares issued and outstanding during the year. Diluted earnings (loss) per share is presented using the treasury stock method and is calculated by dividing the net income (loss) applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

### Income taxes

Income taxes are recorded on a tax allocation basis. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for the estimated income tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are recognized using enacted income tax rates. The effect of changes in effective income tax rates is recognized in income in the period in which the change occurs. Future income tax assets are recognized with respect to deductible temporary differences and loss carryforwards only to the extent their realization is considered more likely than not.

## 3. PROMISSORY NOTES PAYABLE

	<u>2005</u>	<u>2004</u>
Due to a director and a former director, non-interest bearing and repayable on demand	\$ <u>25,899</u>	\$ <u>25,899</u>

See Note 6.

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<b>4. CONVERTIBLE DEBENTURES</b>		<u>2005</u>	<u>2004</u>
Convertible debentures		\$ <u>1,325,000</u>	\$ <u>1,325,000</u>

The convertible debentures are due on demand and do not bear interest.

At March 31, 2005 \$ 230,000 (2004 – \$ 575,000) of the convertible debentures were held by directors and by family members of directors.

See Note 6.

**5. SHARE CAPITAL**

Authorized  
100,000,000 common shares without par value

On December 9, 2004, the Company consolidated its share capital on the basis of 1 new common share for 10 old common shares. All share and per share figures have been restated to reflect the consolidation.

	<u>2005</u>		<u>2004</u>	
	<u>Shares</u>	<u>\$</u>	<u>Shares</u>	<u>\$</u>
Issued				
Beginning of year	2,821,647	\$ 6,018,685	2,821,647	\$ 6,018,685
Common shares issued to settle liabilities	<u>639,505</u>	<u>95,926</u>	—	—
End of year	<u>3,461,152</u>	<u>\$ 6,114,611</u>	<u>2,821,647</u>	<u>\$ 6,018,685</u>

**6. PROPOSED DEBT SETTLEMENT**

The holders of the promissory notes, the convertible debentures and other debt of \$ 260,961.73, which is included in accounts payable and accrued liabilities, have entered into agreements to settle the amounts due in exchange for common shares. The total amount of \$ 1,611,861.23 (the "Debt Amount") includes interest accrued up to April 30, 2004 with no further interest to become payable after that date. Under the terms of the agreements, the Debt Amount will be converted into 3,223,722 common shares subject to the Company achieving Tier 2 status, in accordance with TSX Venture Exchange (the "Exchange") policies. If the settlement is not accepted for filing by the Exchange on or before July 15, 2005, the Company may terminate the agreements.

**7. RELATED PARTY TRANSACTIONS**

Included in accounts payable and accrued liabilities is \$ 53,586 (2004 – \$ 151,379) payable to a director.

During the fiscal year ended March 31, 2005 the Company accrued interest of \$ 1,890 (2004 – \$ 118,068) payable to a director.

During the fiscal year ended March 31, 2005 the Company paid \$ 16,938 (2004 – \$ Nil) for consulting services to an officer and to a corporation controlled by a director.

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**8. FINANCIAL INSTRUMENTS**

The fair value for cash and amounts receivable approximate their carrying amounts due to their short terms to maturity. Due to the Company's financial situation, the fair value of accounts payable and accrued liabilities, promissory notes payable and convertible debentures is nominal.

**9. INCOME TAXES**

The Company has non-capital losses for Canadian income tax purposes of approximately \$ 1,500,000 which are available to reduce future years' taxable income. The benefit of these non-capital losses has not been recognized in the Company's accounts as there is no reasonable assurance such benefit will be realized. The non-capital losses become no longer available to reduce taxable income at various dates between 2005 and 2015.

These losses may become unavailable in future years if control of the Company is acquired by another party or parties.

**10. SUPPLEMENTAL CASH FLOW INFORMATION**

The Company conducted non-cash transactions as follows:

	<u>2005</u>	<u>2004</u>
Settlement of accounts payable through issue of common shares	\$ (33,426)	\$ —
Settlement of notes payable through issue of common shares	(62,500)	—
Common shares issued to settle indebtedness	<u>95,926</u>	<u>—</u>
	\$ <u>          </u>	\$ <u>          </u>

**11. SUBSEQUENT EVENT**

On May 31, 2005, the Company completed a private placement of 1,250,000 units at \$ 0.20 per unit for cash of \$ 250,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase an additional common share for \$0.30 per share until May 30, 2006. The Company awarded the agent 93,750 units, on the same terms as above, as compensation for the issue.