

ONKWAWISTA LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2008

ONKWAWISTA LIMITED

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For the year ended 31st March 2008

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ONKWAWISTA LIMITED**Company Information**

		Date Appointed	Date Resigned
Directors	T.M. O'Carroll	12-May-06	15-May-07
	C.G. Hepburn	12-May-06	19-Sep-07
	M.J. Quayle	15-May-07	-
	D.J. Clarke	19-Sep-07	04-Oct-07
	C.G. Hepburn	04-Oct-07	-
	D.A. Harris (Alternate to T.M. O'Carroll)	20-Jul-06	15-May-07
	M.J. Lewin (Alternate to C.G. Hepburn)	11-Feb-08	-
Secretary	C.G. Hepburn	12-May-06	09-May-07
	IFG International (Secretaries) Limited	09-May-07	-
Registered office	International House Castle Hill Victoria Road Douglas Isle of Man IM2 4RB		
Registered Number	116496C		

ONKWAWISTA LIMITED

DIRECTORS' REPORT
For the year ended 31st March 2008

The Directors hereby submit their report on the activities and the audited financial statements of the Company for the year ended 31 March 2008 which have been prepared in accordance with the provisions of the Isle of Man Companies Acts, 1931-2004.

Activities and Business Review

The Company's principal activity is that of an investment company.

Results and Dividend

The results for the year are set out on page 5. The Directors have declared a dividend of CAD 1,700,000 during the year ended 31 March 2008. (2007 : CAD 1,800,000)

Directors and their interests

The Directors who served during the year and to the date of the signing of these financial statements and their interests in the Company are as stated below:

	Ordinary shares	
	31Mar2008	01Apr2007
T.M. O'Carroll	-	-
C.G. Hepburn	-	-
M.J. Quayle	-	-
D.J. Clarke	-	-
C.G. Hepburn	-	-
D.A. Harris (Alternate to T.M. O'Carroll)	-	-
M.J. Lewin (Alternate to C.G. Hepburn)	-	-

Statement of the Directors' Responsibilities with regard to the Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in the United Kingdom.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 financial statements comply with the Companies Acts 1931-2004. 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.

The Directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Auditors

A resolution proposing that KPMG Audit LLC be reappointed as auditors of the Company will be put to the Annual General Meeting.

By order of the Board:

.....
 (Secretary)

Dated.....

For and on behalf of IFG International (Secretaries) Limited

ONKWAWISTA LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31st March 2008

	Notes	<u>2008</u> CAD	<u>2007</u> CAD
INCOME	1.2		
Bank interest		41,622	38,044
Dividend receivable		1,701,219	1,947,600
		-----	-----
		1,742,841	1,985,644
		-----	-----
EXPENDITURE	1.3		
Professional fees		-	4,358
Bank charges and interest		143	308
Loss on currency exchange	1.5	175,691	-
		-----	-----
		(175,834)	(4,666)
		-----	-----
PROFIT FOR THE YEAR / PERIOD		1,567,007	1,980,978
Dividend Payable		(1,700,000)	(1,800,000)
Retained (loss) profit for the year/period		-----	-----
		(132,993)	180,978
Retained profit brought forward		180,978	-
Retained profit carried forward		-----	-----
		47,985	180,978
		=====	=====

There are no recognised gains or losses other than the profit above.

The Directors consider that all results derive from continuing activities.

The notes on pages 7 and 8 form an integral part of these Financial Statements.

ONKWAWISTA LIMITED**BALANCE SHEET**
as at 31st March 2008

	Notes	<u>2008</u> CAD	<u>2007</u> CAD
Fixed Assets			
Unquoted Investment	3	14,550,000	14,550,000
Current Assets			
Debtors	4	-	1,947,600
Cash at bank		1,785,450	31,449
		-----	-----
		1,785,450	1,979,049
Creditors: amounts falling due within one year	5	(16,287,355)	(16,347,961)
		-----	-----
Net current (liabilities)		(14,501,905)	(14,368,912)
		-----	-----
TOTAL NET ASSETS		<u>48,095</u>	<u>181,088</u>
Capital and Reserves			
Called up share capital	6	110	110
Profit and Loss account	7	47,985	180,978
		-----	-----
EQUITY SHAREHOLDERS' FUNDS		<u>48,095</u>	<u>181,088</u>

These Financial Statements were approved by the Board of Directors on the day of 2008
on its behalf by:-

.....
Director

.....
Director

The notes on pages 7 and 8 form an integral part of these Financial Statements.

ONKWAWISTA LIMITED

Notes forming part of the financial statements

For the year ended 31st March 2008

1. Accounting Policies

1.1. Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Isle of Man SORP. Compliance with the SORP indicates the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005) have been met, as applicable to companies registered in the Isle of Man.

1.2. Turnover

Turnover represents the total net income receivable during the year.

1.3. Expenditure

All expenses are provided for on an accruals basis.

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.5. Foreign Currency Translation

Transactions in foreign currencies are translated at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Gains and losses arising on translation are taken to the Profit & Loss account.

2. Taxation

The Income Tax (Amendment) Act 2006 provides that a standard zero rate of income tax will apply to the company for 2006/07 and subsequent years of assessment. Therefore, no provision for liability to Manx income tax has been included in these financial statements.

3. Unquoted Investment

	<u>2008</u> CAD
Cost	
At 1st April 2007	14,550,000
Additions	-
Disposals	-

as at 31st March 2008	14,550,000

Net book values	
as at 31st March 2008	14,550,000

as at 1st April 2007	14,550,000

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Shares held class	Proportion of shares held
Continent 8 Technologies Plc	Isle of Man	Ordinary	39.54%

4. DEBTORS

	<u>2008</u> CAD	<u>2007</u> CAD
Dividend income receivable	-	1,947,600
	-----	-----
	-	1,947,600
	-----	-----

ONKWAWISTA LIMITED

Notes forming part of the financial statements
For the year ended 31st March 2008

5. CREDITORS: amounts due within one year	2008	2007
	CAD	CAD
Unsecured loans payable	14,587,355	14,547,961
Dividend payable	1,700,000	1,800,000
	-----	-----
	16,287,355	16,347,961
	-----	-----

The above loan is unsecured, interest free and repayable on demand.

6. Share Capital	2008	2007
	CAD	CAD
Authorised		
1,500 Ordinary 'A' Shares of US\$1.00 each	1,650	1,650
1,500 Ordinary 'B' Shares of US\$1.00 each	1,650	1,650
	-----	-----
	3,300	3,300
	-----	-----
Allotted, called up and fully paid		
50 Ordinary 'A' Shares of US\$1.00 each	55	55
50 Ordinary 'B' Shares of US\$1.00 each	55	55
	-----	-----
	110	110
	-----	-----

7. Reserves	Profit and loss account	Total
At 1st April 2007	180,978	180,978
Profit for the year	1,567,007	1,567,007
Dividend payable	(1,700,000)	(1,700,000)
	-----	-----
At 31st March 2008	47,985	47,985
	-----	-----

8. Immediate parent undertaking

The immediate parent undertaking is Onkwawista Holdings Limited, a company registered in the Isle of Man.

9. Profit and Loss Account

All expenses associated with maintaining the company in good statutory order are borne by a third party directly.

10. Commitments

The Company entered into a charge on 30th June 2006 whereby the Company has agreed to charge to Continent 8 Technologies Plc the Company's total holding of shares in Continent 8 Technologies Plc as security for the performance of Mohawk Internet Technologies obligations under the DC & ISP Agreement.

11. Related Party Transactions

During the year, the company received a further loan of CAD 39,394 from Onkwawista Holdings Limited, the immediate parent company (see note 5).

ONKWAWISTA LIMITED

**Management Information Sheet
For the year ended 31st March 2008**

	<u>2008</u> CAD	<u>2007</u> CAD
Creditors falling due within one year		
Loan from Onkwawista Holdings Limited	14,587,355	14,547,961
Dividend payable	1,700,000	1,800,000
	-----	-----
	16,287,355	16,347,961
	-----	-----

This page does not form part of the statutory accounts.