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**82- SUBMISSIONS FACING SHEET**

**Follow-Up  
Materials**

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REGISTRANT'S NAME

Network One Holdings Corp

\*CURRENT ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*FORMER NAME

\_\_\_\_\_

\*\*NEW ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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NETWORK ONE HOLDINGS CORP.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2003 AND 2002

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NAME OF ISSUER: NETWORK ONE HOLDINGS CORP.

ISSUER ADDRESS: SUITE 606 - 470 GRANVILLE STREET  
VANCOUVER, B.C. V6C 1V5

ISSUER PHONE NUMBER: (604) 682-0949


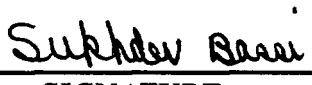
ISSUER FAX NUMBER: (604) 681-0907

CONTACT PERSON: EDDY CHENG

CONTACT'S POSITION: PRESIDENT

CONTACT TELEPHONE NUMBER: (604) 649-8168

APPROVED BY THE BOARD OF DIRECTORS:

<u>EDDY WAI CHIU CHENG</u>		<u>(03/08/20)</u>
NAME OF DIRECTOR	SIGNATURE	DATE SIGNED (YY/MM/DD)
<u>SUKHDEV BASSI</u>		<u>(03/08/20)</u>
NAME OF DIRECTOR	SIGNATURE	DATE SIGNED (YY/MM/DD)

**NETWORK ONE HOLDINGS CORP.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

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# BOYCE F. BUTLER

Certified General Accountant

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## AUDITOR'S REPORT

To the Shareholders of  
Network One Holdings Corp.

I have audited the balance sheets of Network One Holdings Corp. as at March 31, 2003 and 2002 and the statements of loss and deficit and cash flows for the years then ended. 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 audits.

I conducted my audits 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 the Company as at March 31, 2003 and 2002 and the results of its operations and the changes in its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, I report that, in my opinion, these principles have been applied on a consistent basis.



Certified General Accountant

Vancouver, B.C.  
August 19, 2003

## NETWORK ONE HOLDINGS CORP.

## BALANCE SHEETS

AS AT

	<u>March 31, 2003</u>	<u>March 31, 2002</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 787	\$ 533
Accounts receivable	<u>172</u>	<u>80,071</u>
	<u>\$ 959</u>	<u>\$ 80,604</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 45,235	\$ 49,453
Short-term loans (Note 3)	<u>11,000</u>	<u>11,000</u>
	<u>56,235</u>	<u>60,453</u>
LOANS (Note 3)	<u>479,263</u>	<u>574,763</u>
	<u>535,498</u>	<u>635,216</u>
<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>SHARE CAPITAL</b>		
Authorized: 100,000,000 common shares without par value		
Issued: 4,033,517	1,639,566	1,639,566
DEFICIT	<u>(2,174,105)</u>	<u>(2,194,178)</u>
	<u>(534,539)</u>	<u>(554,612)</u>
	<u>\$ 959</u>	<u>\$ 80,604</u>

APPROVED BY THE DIRECTORS:

Joey W. LeFebvre Director

Supinder Bassi Director

See accompanying notes

**NETWORK ONE HOLDINGS CORP.**  
**STATEMENTS OF LOSS AND DEFICIT**  
**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
REVENUE		
Consulting fees	\$ 48,000	\$ 80,000
Interest and sundry income	-	10,930
	<u>48,000</u>	<u>90,930</u>
EXPENSES		
General corporate expenses	2,207	1,274
Investor and shareholder relations	1,893	1,700
Management fees <i>(Note 2)</i>	12,000	9,000
Professional fees	7,150	4,856
Transfer agent and regulatory fees	4,677	5,701
	<u>27,927</u>	<u>22,531</u>
NET INCOME BEFORE INCOME TAXES	20,073	68,399
Income taxes	<u>(7,900)</u>	<u>(27,100)</u>
NET INCOME BEFORE UNDER-NOTED ITEM	12,173	41,299
Recovery of income taxes due to prior years' losses	<u>7,900</u>	<u>27,100</u>
NET INCOME FOR THE YEAR	20,073	68,399
DEFICIT, BEGINNING OF YEAR	<u>(2,194,178)</u>	<u>(2,262,577)</u>
DEFICIT, END OF YEAR	\$ <u>(2,174,105)</u>	\$ <u>(2,194,178)</u>
INCOME (LOSS) PER SHARE	\$ <u>0.005</u>	\$ <u>0.017</u>

See accompanying notes

**NETWORK ONE HOLDINGS CORP.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net income (loss) for the year	\$ 20,073	\$ 68,399
Changes to non-cash working capital items:		
(Increase) decrease in accounts receivable	79,899	(79,976)
Increase (decrease) in accounts payable	<u>(4,218)</u>	<u>(3,879)</u>
	<u>95,754</u>	<u>(15,456)</u>
FINANCING ACTIVITIES		
Directors' loans	<u>(95,500)</u>	<u>15,730</u>
INCREASE IN CASH	254	274
CASH, BEGINNING OF YEAR	<u>533</u>	<u>259</u>
CASH, END OF YEAR	\$ <u>787</u>	\$ <u>533</u>

See accompanying notes

**NETWORK ONE HOLDINGS CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

**1. ACCOUNTING POLICIES**

a) Income (loss) per Share

Income (loss) per share is calculated on the basis of the weighted-average number of common shares outstanding during the period. The effect of potential issues of shares under warrant or share option arrangements is anti-dilutive.

b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**2. RELATED PARTY TRANSACTIONS**

During the years ended March 31, 2003 and March 31, 2002, the Company accrued management fees payable to its president of \$12,000 and \$9,000 respectively.

**3. LOANS**

The loans are without interest or stated terms of repayment and are unsecured. Of these loans, \$217,110 (2002: \$312,610) is payable to a director. The loans have been classified as non-current liabilities, as part of any restructuring of the Company's affairs would involve management's intention to settle these loans by issuance of shares of the Company.



**NETWORK ONE HOLDINGS CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2003 AND 2002**

**4. CONTINUANCE OF OPERATIONS**

These financial statements are prepared on a going-concern basis which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these financial statements.

As at March 31, 2003 and 2002, the Company had a deficit of \$2,174,105 and \$2,194,178 respectively. The ability of the Company to continue operating as a going concern is dependent upon, among other things, obtaining additional long-term financing and upon future profitable operations.

**5. FAIR MARKET VALUE OF FINANCIAL INSTRUMENTS**

As at March 31, 2003 and 2002 the fair value of cash, accounts receivable, accounts payable and short-term loans approximates carrying value because of the short-term maturity of these instruments.

**6. INCOME TAXES**

The Company has non-capital losses of approximately \$270,365 available to offset future taxable income in Canada, which expire between 2004 and 2008. The benefit of these loss carry-forwards has not been recognized in the financial statements.

In addition, there are resource-related expenditures totalling \$122,334 which can be used to offset future taxable Canadian resource income indefinitely, subject to annual rates prescribed by the Canadian Income Tax Act.