

COMPANY REGISTRATION NUMBER 06302178

OMNIGLOBE UK LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2009

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OMNIGLOBE UK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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OMNIGLOBE UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

J C Costley
J Forrest
J Neale (Appointed 8 May 2009)
L Lo Basso (Appointed 23 June 2009)
R Bouchard (Appointed 5 November 2009)

COMPANY SECRETARY

P Hodge

REGISTERED OFFICE

Lapwing 440
Frimley Business Park
Frimley
Surrey
GU16 7SZ

AUDITOR

Menzies LLP
Kings House
12 - 42 Wood Street
Kingston upon Thames
Surrey
KT1 1TG

BANKERS

HSBC Bank Plc
54 Clarence Street
Kingston upon Thames
Surrey
KT1 1NP

OMNIGLOBE UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was supplying a comprehensive range of international satellite links, networks and services, along with the associated data transmission and processing products. These activities are fully supported by network design, training and 24 hours 7 days a week customer support services from the Canadian based teleport.

DIRECTORS

The directors who served the company during the year were as follows

J C Costley
J Forrest
J Neale
L Lo Basso
R Bouchard

J Neale was appointed as a director on 8 May 2009

L Lo Basso was appointed as a director on 23 June 2009

R Bouchard was appointed as a director on 5 November 2009

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

OMNIGLOBE UK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Lapwing 440
Frimley Business Park
Frimley
Surrey
GU16 7SZ

Signed by order of the directors



P Hodge
Company Secretary

Approved by the directors on 7TH JUNE, 2010

OMNIGLOBE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMNIGLOBE UK LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the group and parent company financial statements ("the financial statements") of Omniglobe UK Limited for the year ended 31 December 2009. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OMNIGLOBE UK LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMNIGLOBE UK LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



RALPH MITCHISON FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Kings House
12 - 42 Wood Street
Kingston upon Thames
Surrey
KT1 1TG

29 June 2010

OMNIGLOBE UK LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
GROUP TURNOVER		6,035,506	3,593,654
Cost of sales		4,384,381	2,356,037
GROSS PROFIT		1,651,125	1,237,617
Distribution costs		486,015	283,107
Administrative expenses		655,022	868,258
OPERATING PROFIT	3	510,888	86,252
Interest receivable		1,014	24,244
Interest payable and similar charges		(63,285)	(73,328)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		447,817	37,168
Tax on profit on ordinary activities		(91,774)	(18,107)
PROFIT FOR THE FINANCIAL YEAR	4	539,591	55,275

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 9 to 14 form part of these financial statements

OMNIGLOBE UK LIMITED

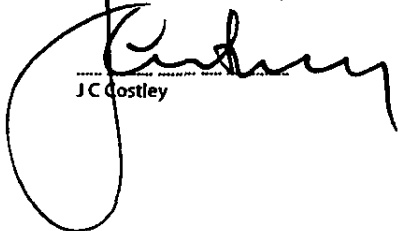
GROUP BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Intangible assets	5	1,438,509	1,518,426
Tangible assets	6	39,595	21,884
		<u>1,478,104</u>	<u>1,540,310</u>
CURRENT ASSETS			
Stocks		140,187	34,663
Debtors	8	1,528,040	177,178
Cash at bank and in hand		233,595	131,528
		<u>1,901,822</u>	<u>343,369</u>
CREDITORS: Amounts falling due within one year	10	<u>2,572,127</u>	<u>1,626,308</u>
NET CURRENT LIABILITIES		<u>(670,305)</u>	<u>(1,282,939)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>807,799</u>	<u>257,371</u>
CREDITORS: Amounts falling due after more than one year	11	<u>175,183</u>	<u>164,346</u>
		<u>632,616</u>	<u>93,025</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	100	100
Profit and loss account	15	632,516	92,925
SHAREHOLDERS' FUNDS		<u>632,616</u>	<u>93,025</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 7th June 2010 and are signed on their behalf by:


J C Costley


J Neale

The notes on pages 9 to 14 form part of these financial statements

OMNIGLOBE UK LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	7	171,870	171,870
CURRENT ASSETS			
Debtors	8	100	573,905
CREDITORS: Amounts falling due within one year	10	<u>133,691</u>	<u>751,258</u>
NET CURRENT LIABILITIES		(133,591)	(177,353)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,279</u>	<u>(5,483)</u>
CREDITORS: Amounts falling due after more than one year	11	<u>50,000</u>	<u>-</u>
		<u>(11,271)</u>	<u>(5,483)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	100	100
Profit and loss account	15	(11,821)	(5,583)
DEFICIT		<u>(11,721)</u>	<u>(5,483)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 7th June 2010 and are signed on their behalf by

J C Costley

Company Registration Number 06302178

J Neale

The notes on pages 9 to 14 form part of these financial statements.

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Group achieved a net profit of £539,591 during the year ended 31 December 2009, and as of that date, the Group had net current liabilities of £670,305, the financial statements have been prepared on a going concern basis

The directors have prepared profit and loss forecasts, balance sheet forecasts and cashflow forecasts for the next 12 months for the group. The directors consider that the group will be able to continue in operation for the foreseeable future and to meet its debts as they fall due having considered the group's future trading prospects and the group's present credit facilities

They therefore consider it appropriate that these financial statements have been prepared on the going concern basis

2 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the period in the normal course of business, net of trade discounts, VAT and other sales related taxes

Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Goodwill

The carrying value of goodwill is reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	- Over 20 years straight line
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Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Test equipment	- 20% per annum
Furniture and equipment	- 15% or 25% per annum
Motor vehicles	- 20% per annum

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

2 ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Fixed asset investments

Fixed asset investments are included in the balance sheet at cost after provision for any permanent diminution in value.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a group cash flow in the financial statements on the grounds that the group is small.

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Directors' remuneration	-	-
Staff pension contributions	17,385	18,366
Amortisation of intangible assets	79,917	70,940
Depreciation of owned fixed assets	9,826	6,842
Auditor's fees	22,700	24,750
Net (profit)/loss on foreign currency translation	(43,952)	151,646

4 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(6,238) (2008 - £(5,750))

5 INTANGIBLE FIXED ASSETS

Group

Goodwill arising on
consolidation
£

COST

At 1 January 2009 and 31 December 2009 1,598,343

AMORTISATION

At 1 January 2009 79,917

Charge for the year 79,917

At 31 December 2009 159,834

NET BOOK VALUE

At 31 December 2009 1,438,509

At 31 December 2008 1,518,426

6 TANGIBLE FIXED ASSETS

Group

Test equipment £	Furniture and equipment £	Motor Vehicles £	Total £
------------------------	---------------------------------	---------------------	------------

COST

At 1 January 2009 269,425 628,634 68,874 966,933

Additions 13,475 14,062 - 27,537

At 31 December 2009 282,900 642,696 68,874 994,470

DEPRECIATION

At 1 January 2009 266,664 609,812 68,573 945,049

Charge for the year 2,344 7,482 - 9,826

At 31 December 2009 269,008 617,294 68,573 954,875

NET BOOK VALUE

At 31 December 2009 13,892 25,402 301 39,595

At 31 December 2008 2,761 18,822 301 21,884

Hire purchase agreements

Included within the net book value of £39,595 is £Nil (2008 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2008 - £Nil).

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

7 INVESTMENTS

Company	Group companies £
COST	
At 1 January 2009 and 31 December 2009	171,870
NET BOOK VALUE	
At 31 December 2009 and 31 December 2008	171,870

The subsidiaries, all of which are registered in England and Wales and included in the consolidated accounts, are

Bandwidth Technologies International Group Limited
L-Teq Limited
Omniglobe EMEA Limited
Prism IP Solutions Limited

8 DEBTORS

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade debtors	1,183,479	112,292	-	-
Amounts owed by group undertakings	-	-	-	573,805
Other debtors	344,561	64,886	100	100
	<u>1,528,040</u>	<u>177,178</u>	<u>100</u>	<u>573,905</u>

9. DEFERRED TAXATION

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2009 Provided £	Unprovided £	2008 Provided £	Unprovided £
Excess of depreciation over taxation allowances	418	-	9,582	-
Tax losses available	112,131	-	-	-
Other timing differences	555	-	-	-
	<u>113,104</u>	<u>-</u>	<u>9,582</u>	<u>-</u>

10 CREDITORS Amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans	-	93,422	-	-
Trade creditors	803,209	877,956	-	-
Amounts owed to parent undertaking	582,115	249,094	82,853	613,008
Hire purchase agreements	4,074	4,074	-	-
Other creditors including taxation and social security PAYE and social security	23,382	18,646	-	-
VAT	41,106	-	-	-
Other creditors	363,070	145,018	-	-
Accruals and deferred income	755,171	238,098	50,838	138,250
	<u>2,572,127</u>	<u>1,626,308</u>	<u>133,691</u>	<u>751,258</u>

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

10 CREDITORS. Amounts falling due within one year (*continued*)

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans	–	39,597	–	–
Other creditors	42,107	42,105	–	–
	<u>42,107</u>	<u>81,702</u>	<u>–</u>	<u>–</u>

11 CREDITORS. Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Hire purchase agreements	2,377	6,451	–	–
Other creditors	172,806	157,895	50,000	–
	<u>175,183</u>	<u>164,346</u>	<u>50,000</u>	<u>–</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other creditors	<u>122,806</u>	<u>157,895</u>	<u>–</u>	<u>–</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

	2009	2008
	£	£
Operating leases which expire		
Within 2 to 5 years	99,875	–
After more than 5 years	–	99,875
	<u>99,875</u>	<u>99,875</u>

13. RELATED PARTY TRANSACTIONS

Omniglobe UK Limited is a wholly owned subsidiary of OmniGlobe Networks Inc

As at the year end the Omniglobe UK Limited Group owed £582,115 to Omniglobe Networks Inc. During the year the UK Group invoiced £63,262 to Omniglobe Networks Inc in respect of services provided

14. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2009	£	2008	£
	No		No	
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

OMNIGLOBE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

15 RESERVES

Group	Profit and loss account £
Balance brought forward	92,925
Profit for the year	539,591
Balance carried forward	<u>632,516</u>
Company	Profit and loss account £
Balance brought forward	(5,583)
Loss for the year	(6,238)
Balance carried forward	<u>(11,821)</u>

17 ULTIMATE PARENT COMPANY

The ultimate parent company is OmniGlobe Networks Inc. OmniGlobe Networks Inc is also the company's immediate parent company. The ultimate controlling party is J Neale, majority shareholder of Omniglobe Networks Inc.