

**ONKWAWISTA LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31st March 2009**

**ONKWAWISTA LIMITED**

**Company Information**

**Directors** C.G. Hepburn  
M.J. Quayle  
M.J. Lewin

**Secretary** IFG International (Secretaries) Limited

**Registered office** International House  
Castle Hill  
Victoria Road  
-----  
Douglas  
Isle of Man  
IM2 4RB

**Registered Number** 116496C

**ONKWAWISTA LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31st March 2009**

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**ONKWAWISTA LIMITED****DIRECTORS' REPORT****For the year ended 31st March 2009**

The Directors hereby submit their report on the activities and the audited financial statements of the Company for the year ended 31 March 2009 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 not declared a dividend during the year ended 31 March 2009 ( 2008 : CAD 1,700,000).

**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	
	31Mar2009	01Apr2008
M.J. Quayle	-	-
C.G. Hepburn	-	-
M.J. Lewin	-	-

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

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, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of profit or loss of the Company for that period.

In preparing these 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 UK 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 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Auditors**

A resolution proposing that KPMG Audit LLC be reappointed as auditors of the Company in accordance with Section 12 (2) of the Isle of Man Companies Act 1982 will be put to the Annual General Meeting.

By order of the Board

(Secretary)

For and on behalf of IFG International (Secretaries) Limited

Dated 23rd September 2009

## **Report of the Independent Auditors, KPMG Audit LLC, to the members of Onkwawista Limited**

We have audited the financial statements of Onkwawista Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of Directors and Auditors*

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1931 to 2004. We also report to if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and any other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### *Basis of opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

**Report of the Independent Auditors, KPMG Audit LLC, to the members of Onkwawista Limited (continued)**

*Basis of opinion (continued)*

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Accounting Standards, of the state of the Company's affairs as at 31-March 2009 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1931 to 2004.



30 September 2009

**KPMG Audit LLC**  
*Chartered Accountants*  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man IM99 1HN

**ONKWAWISTA LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31st March 2009**

	Notes	<u>2009</u> CAD	<u>2008</u> CAD
<b>INCOME</b>			
	1.2		
Bank interest		24,532	41,622
Dividend receivable		-	1,701,219
Gain on currency exchange	1.5	374,768	-
		<u>399,300</u>	<u>1,742,841</u>
<b>EXPENDITURE</b>			
	1.3		
Professional fees		915	-
Bank charges and interest		83	143
Loss on currency exchange	1.5	-	175,691
		<u>(998)</u>	<u>(175,834)</u>
<b>PROFIT FOR THE YEAR</b>		398,302	1,567,007
Dividend payable		-	(1,700,000)
Retained profit/(loss) for the year		<u>398,302</u>	<u>(132,993)</u>
Retained profit brought forward		47,985	180,978
Retained profit carried forward		<u>446,287</u>	<u>47,985</u>

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 2009**

	Notes	<u>2009</u> CAD	<u>2008</u> CAD
<b>Fixed Assets</b>			
Unquoted Investment	3	14,550,000	14,550,000
<b>Current Assets</b>			
Cash at bank		2,593,900	1,785,450
		<u>2,593,900</u>	<u>1,785,450</u>
<b>Creditors: amounts falling due within one year</b>	4	(16,697,503)	(16,287,355)
<b>Net current liabilities</b>		<u>(14,103,603)</u>	<u>(14,501,905)</u>
<b>TOTAL NET ASSETS</b>		<u>446,397</u>	<u>48,095</u>
<b>Capital and Reserves</b>			
Called up share capital	5	110	110
Profit and Loss account	6	446,287	47,985
		<u>446,397</u>	<u>48,095</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>446,397</u>	<u>48,095</u>

These Financial Statements were approved by the Board of Directors on the 13<sup>th</sup> day of September 2009 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 2009

**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.

**1.6. Cash flow statement**

Under Financial Reporting Standard 1 (Revised), "Cash Flow Statements" the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the company qualifies as a small company.

**2. Taxation**

With effect from 6 April 2006, the Isle of Man Government reduced the rate of income tax to 0% which is expected to continue for the foreseeable future. Based on the Company's current activities, the Company is not expected to have any future Isle of Man tax liability.

**3. Unquoted Investment**

	<u>2009</u>
Cost	CAD
At 1st April 2008	14,550,000
Additions	-
Disposals	-
as at 31st March 2009	----- 14,550,000 -----
<b>Net book values</b>	
as at 31st March 2009	14,550,000
as at 1st April 2008	----- 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%

**ONKWAWISTA LIMITED**

Notes forming part of the financial statements (continued)  
For the year ended 31st March 2009

4.	<b>CREDITORS: amounts falling due within one year</b>	<u>2009</u> CAD	<u>2008</u> CAD
	Unsecured loans payable (See note 10)	16,697,503	14,587,355
	Dividend payable	-	1,700,000
		16,697,503	16,287,355
	The above loans are unsecured, interest free and repayable on demand.		
5.	<b>Share Capital</b>	<u>2009</u> CAD	<u>2008</u> CAD
	<b>Authorised</b>		
	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
	<b>Allotted, called up and fully paid</b>		
	50 Ordinary 'A' Shares of US\$1.00 each	55	55
	50 Ordinary 'B' Shares of US\$1.00 each	55	55
		110	110
6.	<b>Reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>At 1st April 2008</b>	47,985	47,985
	Profit for the year	398,302	398,302
	<b>At 31st March 2009</b>	446,287	446,287
7.	<b>Immediate parent undertaking</b> The immediate parent undertaking is Onkwawista Holdings Limited, a company registered in the Isle of Man.		
8.	<b>Profit and Loss Account</b> The majority of expenses associated with maintaining the Company in good statutory order are borne by a third party directly.		
9.	<b>Commitments</b> 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.		
10.	<b>Related Party Transactions</b> During the year, the Company received a loan of US\$1,700,000 from Continent 8 Technologies Plc, of which it holds a 39.54% shareholding. The Company also has a loan payable of CAD\$14,587,355 which is due to its immediate parent company, Onkwawista Holdings Limited at the year end.		
	Amounts due to related parties :	<u>2009</u> CAD	<u>2008</u> CAD
	Onkwawista Holdings Limited	14,587,355	14,587,355
	Continent 8 Technologies Plc	2,110,148	-
		16,697,503	14,587,355