

**MONDIA MEDIA (UK) LIMITED
(FORMERLY ARVATO MOBILE UK LIMITED)**

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



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COMPANIES HOUSE

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

COMPANY INFORMATION

DIRECTOR	Ralf Priemer
COMPANY SECRETARY	Neil Howton
COMPANY NUMBER	05338629
REGISTERED OFFICE	Imperial Buildings Victoria Road Horley Surrey RH6 7PZ
AUDITOR	Haines Watts Gatwick LLP Chartered Accountants & Statutory Auditors Consort House Consort Way Horley Surrey RH6 7AF

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MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Director presents his report and the financial statements for the year ended 31 December 2010

CHANGE OF NAME

On 8 September 2011 Arvato Mobile UK Limited changed its name to Mondia Media (UK) Limited

PRINCIPAL ACTIVITIES

The principal activities of the company are to provide mobile phone data content such as ring tones to mobile operators supported by group companies

DIRECTOR

The Director who served during the year was

Ralf Priemer

ISSUE OF SHARE CAPITAL

On 15 June 2010, 499,999 additional £1 Ordinary shares were issued at par to the immediate parent company Arvato Mobile GmbH and the consideration was by way of capitalising part of the inter company account

Since the year end, on 1 May 2011, 500,000 additional £1 Ordinary shares were issued at par and fully paid. On 1 June 2011, a further 500,000 additional £1 Ordinary shares were issued at par and fully paid. The consideration for this additional share capital was by way of capitalisation of part of the inter-company account.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the Director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

PROVISION OF INFORMATION TO AUDITOR

The Director at the time when this Director's Report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

AUDITOR

On 1 July 2011 the auditor CLB Gatwick LLP changed their name to Haines Watts Gatwick LLP

The auditor, Haines Watts Gatwick LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the Director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *24th November 2011* and signed on its behalf



Neil Howton
Secretary

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONDIA MEDIA (UK) LIMITED
(FORMERLY ARVATO MOBILE UK LIMITED)**

We have audited the financial statements of Mondia Media (UK) Limited (formerly Arvato Mobile UK Limited) for the year ended 31 December 2010, set out on pages 5 to 11. 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 members, 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 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 DIRECTOR AND AUDITOR

As explained more fully in the Statement of Director's Responsibilities, the Director is 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 and express an opinion on 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 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 Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Director, and the overall presentation of the financial statements.

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONDIA MEDIA (UK) LIMITED
(FORMERLY ARVATO MOBILE UK LIMITED)**

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report



Farouk Durrani (Senior statutory auditor)

for and on behalf of
Haines Watts Gatwick LLP

Chartered Accountants
Statutory Auditors

Consort House
Consort Way
Horley
Surrey
RH6 7AF

Date 6 DECEMBER 2011

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	1,125,847	728,759
Cost of sales		(402,931)	(329,973)
GROSS PROFIT	3	722,916	398,786
Administrative expenses		(722,189)	(841,667)
OPERATING PROFIT/(LOSS)	3	727	(442,881)
Interest payable and similar charges	4	(13,249)	(24,914)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(12,522)	(467,795)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR		(12,522)	(467,795)

The notes on pages 7 to 11 form part of these financial statements

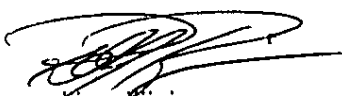
MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)
REGISTERED NUMBER 05338629

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	6		234		2,231
CURRENT ASSETS					
Debtors	7	403,666		511,482	
Cash at bank		290,007		286,305	
		<u>693,673</u>		<u>797,787</u>	
CREDITORS amounts falling due within one year	8	<u>(1,782,055)</u>		<u>(1,270,729)</u>	
NET CURRENT LIABILITIES			<u>(1,088,382)</u>		<u>(472,942)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,088,148)</u>		<u>(470,711)</u>
CREDITORS amounts falling due after more than one year	9		-		<u>(1,104,914)</u>
NET LIABILITIES			<u><u>(1,088,148)</u></u>		<u><u>(1,575,625)</u></u>
CAPITAL AND RESERVES					
Called up share capital	10		500,000		1
Profit and loss account	11		<u>(1,588,148)</u>		<u>(1,575,626)</u>
SHAREHOLDERS' DEFICIT	12		<u><u>(1,088,148)</u></u>		<u><u>(1,575,625)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24/11/2011


Ralf Priemer
Director

The notes on pages 7 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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)

1.2 Going Concern

These financial statements have been prepared on a going concern basis on the assumption that the company can meet its liabilities as and when they fall due

These financial statements therefore do not include any adjustments that would result from the basis of preparation being inappropriate

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	- 4 years straight line
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1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES (continued)**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

2. TURNOVER

32.6% of the Company's turnover (2009 - 52.1%) is attributable to geographical markets outside the United Kingdom

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	1,997	4,825
Auditors' remuneration	7,500	11,000
Auditors' remuneration - non-audit	24,025	14,375
Previous auditors fees for 2008 and prior	-	14,915
Previous accountancy fees	-	33,485
Difference on foreign exchange	(37,399)	(26,632)

During the year, no Director received any emoluments (2009 - £NIL)

4. INTEREST PAYABLE

	2010 £	2009 £
On loans from group undertakings	13,249	24,914

5. TAXATION**Factors that may affect future tax charges**

The Company has taxable losses carried forward of approximately £1,032,000 (2009 £1,040,000) which may reduce future tax liabilities. No provision for deferred tax has been made on this amount

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

6. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2010 and 31 December 2010	<u>3,334</u>
Depreciation	
At 1 January 2010	1,103
Charge for the year	<u>1,997</u>
At 31 December 2010	<u>3,100</u>
Net book value	
At 31 December 2010	<u>234</u>
At 31 December 2009	<u>2,231</u>

7 DEBTORS

	2010 £	2009 £
Due within one year		
Trade debtors	157,658	233,624
Amounts owed by group undertakings	-	755
Prepayments and accrued income	<u>246,008</u>	<u>277,103</u>
	<u>403,666</u>	<u>511,482</u>

**8. CREDITORS:
Amounts falling due within one year**

	2010 £	2009 £
Trade creditors	63,193	55,447
Amounts owed to group undertakings	1,426,804	728,503
Social security and other taxes	20,799	24,214
Accruals and deferred income	<u>271,259</u>	<u>462,565</u>
	<u>1,782,055</u>	<u>1,270,729</u>

Included in accruals and deferred income are amounts owed to group undertakings of £318,277 (2009 £419,526)

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

9. CREDITORS:
Amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	-	1,104,914
	<u> </u>	<u> </u>

10. SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
500,000 (2009 - 1) Ordinary shares of £1 each	500,000	1
	<u> </u>	<u> </u>

On 15 June 2010, 499,999 additional £1 Ordinary shares were issued at par to the immediate parent company Arvato Mobile GmbH and the consideration was by way of capitalising part of the inter company account

11. PROFIT AND LOSS

	£
At 1 January 2010	(1,575,626)
Loss for the year	(12,522)
	<u> </u>
At 31 December 2010	(1,588,148)
	<u> </u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2010 £	2009 £
Opening shareholders' deficit	(1,575,625)	(1,107,830)
Loss for the year	(12,522)	(467,795)
Shares issued during the year	499,999	-
	<u> </u>	<u> </u>
Closing shareholders' deficit	(1,088,148)	(1,575,625)
	<u> </u>	<u> </u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions and balances with related parties that are part of the group below

MONDIA MEDIA (UK) LIMITED (FORMERLY ARVATO MOBILE UK LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

14. GOING CONCERN

The Company's immediate parent company, Arvato Mobile GmbH, has provided assurances that it will make funds available to the Company and will not seek repayment of the loan or the intercompany balance in preference to other creditors of the Company for a period of at least twelve months from the signing of the financial statements

15. POST BALANCE SHEET EVENTS

On 1 May 2011, 500,000 additional £1 Ordinary shares were issued at par and fully paid. On 1 June 2011, 500,000 additional £1 Ordinary shares were issued at par and fully paid. The consideration for this additional share capital was by way of capitalisation of part of the inter-company account.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Arvato Mobile GmbH (a company incorporated in Germany) and the ultimate parent company is Arvato Mobile Middle East FZ-LLC (a company incorporated in United Arab Emirates).