

**REGISTERED NUMBER 05338629**

**MONDIA MEDIA (UK) LIMITED**

**(formerly Avarto Mobile UK Limited)**

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**



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## **Directors' report**

The directors present their report and financial statements for the period from 1 January 2011 to 30 June 2011

### **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 directors who held office during the year were

Ralf Priemer

Volker Glaeser (appointed 01/12/12)

### **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

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 paid by way of capitalisation of part of the inter-company account

### **Statement of directors' responsibilities in respect of the directors' report and 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. Under that law they have elected to prepare the financial statements in accordance with Financial Reporting Standards for Smaller Entities (effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to smaller entities). 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 of the 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 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities

## **Directors' report** *(continued)*

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirms that,

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

### **Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the board

Volker Glaeser  
Managing Director

22/08/12

60 Cannon Street, London

## **Independent auditor's report to the members of Mondia Media (UK) Limited (formerly Avarto Mobile UK Limited)**

We have audited the financial statements of Mondia Media (UK) Limited for the period from 1 January 2011 to 30 June 2011, set out on pages 6 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 set out on page 1, 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, 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 30 June 2011 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 directors are not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

Nicole Martin (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
8 Salisbury Square, London, EC4Y 8BB

24 August 2012

## Profit and Loss Account

for the period from 1 January to 30 June 2011

	Note	1 January to 30 June 2011 £	1 January to 31 December 2010 £
Turnover	2	340,930	1,125,847
Cost of sales		<u>(166,072)</u>	<u>(402,931)</u>
Gross profit	3	174,858	722,916
Administrative expenses		<u>(262,486)</u>	<u>(722,189)</u>
Operating (loss) / profit	3	(87,628)	727
Interest payable and similar charges	4	<u>(5,610)</u>	<u>(13,249)</u>
Loss on ordinary activities before taxation		(93,238)	(12,522)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(93,238)</u>	<u>(12,522)</u>

The notes on pages 8 – 11 form part of these financial statements

# Balance Sheet

As at 30 June 2011

	Note	As at 30 June 2011 £	As at 31 Dec 2010 £
<b>Fixed assets</b>			
Tangible assets	6	1,177	234
<b>Current assets</b>			
Debtors	7	412,131	403,666
Cash at bank and in hand		<u>328,567</u>	<u>290,007</u>
		740,698	693,673
<b>Creditors, amounts falling due within one year</b>	8	<u>(923,261)</u>	<u>(1,782,055)</u>
<b>Net current liabilities</b>		<u>(182,563)</u>	<u>(1,088,382)</u>
<b>Total assets less current liabilities</b>		(181,386)	(1,088,148)
<b>Net liabilities</b>		<u>(181,386)</u>	<u>(1,088,148)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,500,000	500,000
Profit and loss account		<u>(1,681,386)</u>	<u>(1,588,148)</u>
<b>Shareholders' deficit</b>	10	<u>(181,386)</u>	<u>(1,088,148)</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 notes on pages 8 – 11 form part of these financial statements

These financial statements were approved and authorised for issue by the board and were signed on its behalf

on (date) 22/8/2012

by (person)

Volker Glaeser  
Director

Company registered number 05338629

## **Notes to the Financial Statements**

### **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**

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £182,563 (year end 31 December 2010 £1,088,382) which the directors believe to be appropriate for the following reason. The shareholders of the company's ultimate parent entity Mondia Media FZ-LLC have provided a letter of support stating that they will continue to support the company for a period of at least 12 months from the signing of the accounts. As with any company placing reliance on its ultimate controlling party for financial support the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### **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 Related Parties**

As the company is a wholly owned subsidiary of Mondia Media FZ-LLC the company has taken the advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which part of the group.

#### **1.5 Turnover**

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

#### **1.6 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

#### **1.7 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 recognized 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.

## Notes to the Financial Statements *(continued)*

### 1.8 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 recognized in the Profit and Loss Account

### 2 TURNOVER

35 % of the Company's turnover (2010 – 32.6%) is attributable to geographical markets outside the United Kingdom

### 3. OPERATING LOSS

The operating loss is stated after charging

	Six months period ended 30 <sup>th</sup> June 2011 £	Year to 31 <sup>st</sup> December 2010 £
Depreciation of tangible fixed assets	245	1,997
Auditors' remuneration	5,000	7,500
Difference on foreign exchange	<u>(36,482)</u>	<u>(37,399)</u>

During the year, no director received any emoluments (2010 – £ NIL)

### 4. INTEREST PAYABLE

	Six months period ended 30 <sup>th</sup> June 2011 £	Year to 31 <sup>st</sup> December 2010 £
On loans from group undertakings	<u>5,610</u>	<u>13,249</u>

### 5. TAXATION

#### Factors that may affect future tax charges

The Company estimates taxable losses carried forward of approximately £1,125,240 (2010 £1,032,000) which may reduce future tax liabilities. No accrual for deferred tax has been made on this amount

## Notes to the Financial Statements *(continued)*

### 6 TANGIBLE FIXED ASSETS

	Office Equipment £
<b>Cost</b>	
At 31 December 2010	3,334
Additions	<u>1,188</u>
At 30 June 2011	<u>4,522</u>
<b>Depreciation</b>	
At 31 December 2010	3,100
Charge for the period	<u>245</u>
At 30 June 2011	<u>3,345</u>
<b>Net book value</b>	
At 30 June 2011	<u>1,177</u>
At 31 December 2010	<u>234</u>

### 7. DEBTORS

	30 <sup>th</sup> June 2011 £	31 <sup>st</sup> December 2010 £
Trade debtors	111,641	157,658
Prepayments and accrued income	<u>300,490</u>	<u>246,008</u>
	<u>412,131</u>	<u>403,666</u>

### 8. CREDITORS

	30 <sup>th</sup> June 2011 £	31 <sup>st</sup> December 2010 £
Trade creditors	15,063	63,193
Amounts owed to group undertakings	734,828	1,426,804
Social security and other taxes	-	20,799
Accruals and deferred income	<u>173,370</u>	<u>271,259</u>
	<u>923,261</u>	<u>1,782,055</u>

## Notes to the Financial Statements *(continued)*

### 9. SHARE CAPITAL

	30 <sup>th</sup> June 2011 £	31 <sup>st</sup> December 2010 £
Alotted, called up and fully paid		
Ordinary shares of £1 each	1,500,000	500,000

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

In May and June 2011, 1,000,000 additional £1 Ordinary shares were issued at par to the immediate parent company Mondia Media GmbH. The consideration was paid by way of capitalizing part of the intercompany account

### 10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	30 <sup>th</sup> June 2011 £	31 <sup>st</sup> December 2010 £
Opening shareholders deficit	(1,088,148)	(1,575,625)
Loss for the year	(93,238)	(12,522)
Shares issued during the year	<u>1,000,000</u>	<u>499,999</u>
	<u>(181,386)</u>	<u>(1,088,148)</u>

### 11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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