

Registered number 05338629

ARVATO MOBILE UK LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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ARVATO MOBILE UK LIMITED

COMPANY INFORMATION

DIRECTORS	Ralf Priemer Paolo Roatta (resigned 6 August 2009)
COMPANY SECRETARY	Neil Howton
COMPANY NUMBER	05338629
REGISTERED OFFICE	Imperial Buildings Victoria Road Horley Surrey RH6 7PZ
AUDITOR	CLB Gatwick LLP Chartered Accountants & Registered Auditors Imperial Buildings Victoria Road Horley Surrey RH6 7PZ

ARVATO MOBILE UK LIMITED

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ARVATO MOBILE UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The Director presents his report and the financial statements for the year ended 31 December 2009

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 served during the year were

Ralf Priemer
Paolo Roatta (resigned 6 August 2009)

CHANGE OF OWNERSHIP

On 1 January 2009 the ownership of Arvato Mobile UK Limited changed. The ultimate parent company is now Arvato Mobile Middle East FZ-LLC

POST BALANCE SHEET EVENTS

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

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 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 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.

ARVATO MOBILE UK LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

CHANGE OF AUDITORS

On 26 November 2009 KPMG LLP resigned as auditor to the Company. CLB Gatwick LLP were appointed auditors to the Company on 10 February 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

Under section 487(2) of the Companies Act 2006, CLB Gatwick LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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 24/09 2010 and signed on its behalf



Neil Howton
Secretary

ARVATO MOBILE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARVATO MOBILE UK LIMITED

We have audited the financial statements of Arvato Mobile Uk Limited for the year ended 31 December 2009, set out on pages 5 to 12. 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 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 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.

(Continued)

ARVATO MOBILE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 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 2009 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 and the Director's Report in accordance with the small companies regime



FSK Durrani (Senior Statutory Auditor)

for and on behalf of
CLB GATWICK LLP

Chartered Accountants
Registered Auditors

Imperial Buildings
Victoria Road
Horley
Surrey
RH6 7PZ

24 September 2010

ARVATO MOBILE UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	728,759	1,460,816
Cost of sales		<u>(329,973)</u>	<u>(981,410)</u>
GROSS PROFIT	3	398,786	479,406
Administrative expenses		<u>(841,667)</u>	<u>(598,075)</u>
OPERATING LOSS	3	(442,881)	(118,669)
Group interest payable		<u>(24,914)</u>	<u>(67,058)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(467,795)	(185,727)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(467,795)</u>	<u>(185,727)</u>

The notes on pages 7 to 12 form part of these financial statements


ARVATO MOBILE UK LIMITED
REGISTERED NUMBER 05338629

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	5		-		-
Tangible fixed assets	6		<u>2,231</u>		<u>7,677</u>
			<u>2,231</u>		<u>7,677</u>
CURRENT ASSETS					
Debtors	7	511,482		1,437,056	
Cash at bank and in hand		<u>286,305</u>		<u>262,213</u>	
		797,787		1,699,269	
CREDITORS: amounts falling due within one year	8	<u>(1,270,729)</u>		<u>(2,814,776)</u>	
NET CURRENT LIABILITIES			<u>(472,942)</u>		<u>(1,115,507)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(470,711)</u>		<u>(1,107,830)</u>
CREDITORS: amounts falling due after more than one year	9		<u>(1,104,914)</u>		<u>-</u>
NET LIABILITIES			<u>(1,575,625)</u>		<u>(1,107,830)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Profit and loss account	11		<u>(1,575,626)</u>		<u>(1,107,831)</u>
SHAREHOLDERS' DEFICIT			<u>(1,575,625)</u>		<u>(1,107,830)</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 24/09/2010


Ralf Priemer
 Director

The notes on pages 7 to 12 form part of these financial statements

ARVATO MOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 Intangible fixed assets and amortisation

Purchased development expenditure is capitalised at cost on date of acquisition. It is amortised to the Profit and Loss account over its economic life

Amortisation is provided at the following rates

Development expenditure	-	3-5 years straight line
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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	-	25% 4 years straight line
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ARVATO MOBILE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICIES (continued)

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 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

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 recognised in the Profit and Loss Account

2 TURNOVER

52 1% of the Company's turnover (2008 - NIL) is attributable to geographical markets outside the United Kingdom

3. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	4,825	6,771
Auditors' remuneration	11,000	-
Auditors' remuneration - non-audit	14,375	-
Previous auditors fees for 2008 and prior	14,915	24,500
Previous accountancy fees	33,485	60,950
Difference on foreign exchange	(26,632)	48,010

During the year, no Director received any emoluments (2008 - £NIL)

ARVATO MOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

4 TAXATION

Factors that may affect future tax charges

The Company has taxable losses carried forward of approximately £1,040,000 (2008 £575,200) which may reduce future tax liabilities. No provision for deferred tax has been made on this amount.

5 INTANGIBLE FIXED ASSETS

	Development Costs £
Cost	
At 1 January 2009	366,598
Retirement of assets	(366,598)
At 31 December 2009	-
Amortisation	
At 1 January 2009	366,598
Retirement of assets	(366,598)
At 31 December 2009	-
Net book value	
At 31 December 2009	-
At 31 December 2008	-

ARVATO MOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

6. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 January 2009	21,784
Disposals	(18,450)
At 31 December 2009	3,334
Depreciation	
At 1 January 2009	14,107
Charge for the year	4,825
On disposals	(17,829)
At 31 December 2009	1,103
Net book value	
At 31 December 2009	2,231
At 31 December 2008	7,677

7 DEBTORS

	2009 £	2008 £
Due within one year		
Trade debtors	233,624	1,105,235
Amounts owed by group undertakings	755	55,424
Prepayments and accrued income	277,103	276,397
	511,482	1,437,056

ARVATO MOBILE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8 CREDITORS

Amounts falling due within one year

	2009	2008
	£	£
Trade creditors	55,447	-
Amounts owed to group undertakings	728,503	2,231,106
Social security and other taxes	24,214	80,954
Accruals and deferred income	462,565	502,716
	<u>1,270,729</u>	<u>2,814,776</u>

Included in accruals and deferred income are amounts owed to group undertakings of £419,526 (2008 £448,411)

9 CREDITORS

Amounts falling due after more than one year

	2009	2008
	£	£
Amounts owed to group undertakings	<u>1,104,914</u>	<u>-</u>

10. SHARE CAPITAL

	2009	2008
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. PROFIT AND LOSS

	£
At 1 January 2009	(1,107,831)
Loss for the year	(467,795)
	<u>(1,575,626)</u>
At 31 December 2009	<u>(1,575,626)</u>

ARVATO MOBILE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

12 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

13 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

Since the year end, on 15 June 2010, the issued share capital was increased to £500,000 by the issue of £499,999 Ordinary shares of £1 each fully paid to the immediate parent company

14 POST BALANCE SHEET EVENTS

On 15 June 2010, 499,999 additional £1 Ordinary shares were issued at par and fully paid

15 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)