

**4TH SCREEN ADVERTISING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011
REGISTERED NUMBER 05700205 (ENGLAND AND WALES)**

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COMPANY INFORMATION FOR THE PERIOD ENDED 30 JUNE 2011

DIRECTORS	Mark Slade Erk Carson Harrell Roar Olbergsveen
SECRETARY	Andrew Warren
REGISTERED OFFICE	4th Floor The Tower Building York Road London SE1 7NX
REGISTERED NUMBER	05700205 (ENGLAND AND WALES)
AUDITORS	KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom

DIRECTORS' REPORT

The directors present their directors' report and financial statements for the 14 month period ended 30 June 2011. Comparative figures at 30 April 2010 are for a 12 month period.

PRINCIPAL ACTIVITIES

The principal activity of the company in the period under review was that of the provision of mobile advertising and related services.

BUSINESS REVIEW

The Directors were delighted to announce the acquisition of 4th Screen Advertising ("4th Screen") by Opera Software International AS on 16th February 2012, allowing Opera to significantly expand its offering to advertisers and mobile publishers that engage consumers via the mobile web and applications, across all mobile platforms. The transaction was for \$5m cash at closing plus \$3m cash in Escrow and \$0 to \$6.5m in potential earnout cash consideration.

During the period to 30 June 2011, 4th Screen Advertising has continued to improve the premium mobile advertising model through improved technology and enhanced design capability. 4th Screen continues to attract significant new brands to use mobile as part of their marketing or advertising activities.

Gross Profit margin showed strong growth from 38% to 45%. This growth was partly due to continued investment in advertising and display technologies, which support the premium mobile display market, partly due to a broader portfolio of value added services and the publishers that 4th Screen represents.

POST BALANCE SHEET EVENT

4th Screen's ultimate parent changed on 14th November 2011 and again on 16th February 2012. Details are disclosed in accounting notes 11 and 14.

Risks and Uncertainties**Key executives and personnel**

The company's development and prospects are dependent on the continued involvement and performance of key personnel.

Key partners and contract renewals

The company has a number of key partners. There is no guarantee that these partners will continue to work with the Company.

Core technology systems or connectivity

Most of the company's products and services rely on real-time access to computer systems and connections with third parties. Whilst system redundancy is implemented where appropriate, a significant failure of systems or connectivity could affect the company's ability to operate products and/or services and could have a negative impact on the company's reputation.

DIRECTORS

The directors who held office during the period were as follows:

Mark Slade

Richard Mann

Resigned 16th February 2012

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made charitable donations of £250 (2010: £50) during the period.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Mark Slade
Director



26 March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors were responsible for preparing the Directors' Report and Financial Statements in accordance with the 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 the 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 and 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 accounting estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue business, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 Company's Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 4TH SCREEN ADVERTISING LIMITED

We have audited the financial statements of 4th Screen Advertising Limited for the period ended 30 June 2011 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 (APB'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 web-site at 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 14 month period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

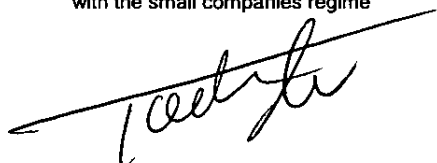
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period 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:

- 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Tudor Aw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

26 March 2012

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2011**

		Period	Year
		2011	2010
	Notes	£	£
Turnover		3,713,211	3,795,088
Cost of sales		(2,050,069)	(2,360,490)
Gross Profit		<u>1,663,142</u>	<u>1,434,598</u>
Administrative expenses		(2,101,357)	(1,536,822)
Operating Loss		<u>(438,215)</u>	<u>(102,224)</u>
Other interest receivable and similar income		144	147
Loss on ordinary activities before taxation	2	<u>(438,071)</u>	<u>(102,077)</u>
Tax on loss on ordinary activities	4	107,388	20,740
Loss for the financial period		<u>(330,683)</u>	<u>(81,337)</u>

Notes from pages 9 to 13 form an integral part of these financial statements

The company has no recognised gains or losses other than profits for the current and previous years

All of the Company's activities are continuing operations

BALANCE SHEET

	Notes	As at 30 June11 £	As at 30 April10 £
Fixed assets			
Tangible assets	5	30,675	58,568
Current assets			
Debtors	6	1,168,555	1,431,581
Cash at bank		<u>166,018</u>	<u>366,985</u>
		1,334,573	1,798,566
Creditors amounts falling due within one year	7	<u>(1,863,519)</u>	<u>(2,374,722)</u>
Net current liabilities		<u>(528,946)</u>	<u>(576,156)</u>
Total assets less current liabilities		(498,271)	(517,588)
Net liability		<u>(498,271)</u>	<u>(517,588)</u>
Capital and reserves			
Called up share capital	8	3,705	3,180
Share premium account	9	562,295	212,820
Profit and loss account	9	(1,064,271)	(733,588)
Shareholders' deficit		<u>(498,271)</u>	<u>(517,588)</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Company Acts 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board of Directors on and were signed off on 26 March 2012 its behalf by,

Mark Slade
Director



Company Number 05700205 (ENGLAND AND WALES)

Notes from pages 9 to 13 form an integral part of the financial statements

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1 ACCOUNTING POLICY

Basis of preparing the financial statements

The accounts have been prepared on a going concern basis which assumes that the company will continue for the foreseeable future

Accounting Convention

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

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £528,946 (2010 £576,156) which the directors believe to be appropriate for the following reason. For the year ending 30 June 2012 the company is currently operating at a net profit and positive cash flow based on current monthly run rates and the Directors are confident that this positive operating position will be maintained in line with business plans and forecasts for at least 12 months from the date of approval of these accounts, which will ensure the company has sufficient funds to enable the company to continue to trade and meet its financial obligations as they fall due. As with any company placing reliance on future forecasts and plans the directors acknowledge that there can be no certainty that business will continue in this manner although at the date of approval of these financial statements, they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Turnover

Turnover represents sales of services provided during the period excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	33% straight line basis
Computer equipment	33% straight line basis

Taxation

The charge for taxation is based on the loss for the period and taking into account taxation deferred because of timing differences

Full provision is made in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts

Deferred tax is measured on a non-discounted basis at the rates of tax that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates or laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised where their recoverability in the short term is regarded as more likely than not

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE PERIOD ENDED 30 JUNE 2011

2 OPERATING PROFIT /(LOSS)

The operating loss is stated after charging

	2011	2010
	£	£
Depreciation	40,676	41,522
Auditor's remuneration		
• Audit of these financial statements	5,000	5,000
• Amounts receivable by the auditors and their Other services relating to taxation	1,000	1,000
	6,000	6,000
Foreign exchange differences	4,942	593
Director's remuneration and other benefits	132,319	83,868
	<u>183,937</u>	<u>131,983</u>

3 REMUNERATION OF DIRECTORS

	2011	2010
	£	£
Director's remuneration and other benefits	129,894	83,868
Company contribution to money purchase	2,425	-
	<u>132,319</u>	<u>83,868</u>

The aggregate of emoluments of the highest paid director was £132,319 (2010 £83,868) Company pension contributions of £2,425 (2010 Nil) were made to a money purchase scheme on behalf of the directors

Number of directors

	2011	2010
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	<u>1</u>	<u>1</u>

4 TAXATION

Analysis of charge in period	2011 £	2010 £
Group Relief of trading losses	(85,000)	(20,740)
Recognition of deferred tax asset (note 13)	<u>(22,388)</u>	
Tax on loss on ordinary activities	<u>(107,388)</u>	<u>(20,740)</u>

5 TANGIBLE FIXED ASSETS

	Furniture & fittings £	Office Equipment £	Total £
Cost			
At 1 May 2010	3,167	145,263	148,430
Additions	3,487	9,295	12,782
Disposals	-	-	-
At 30 June 2011	<u>6,654</u>	<u>154,558</u>	<u>161,212</u>
Depreciation			
At 1 May 2010	2,727	87,135	89,862
Charge for period	1,796	38,879	40,675
Disposals	-	-	-
At 30 June 2011	<u>4,523</u>	<u>126,014</u>	<u>130,537</u>
Net book value			
At 30 June 2011	<u>2,131</u>	<u>28,544</u>	<u>30,675</u>
At 30 April 2010	<u>440</u>	<u>58,128</u>	<u>58,568</u>

6 DEBTORS

	2011 £	2010 £
Trade debtors	964,093	1,040,120
Amounts owed by group undertakings	-	135,084
Other debtors (see Note 13)	22,388	-
Prepayments and accrued income	<u>182,074</u>	<u>256,377</u>
	<u>1,168,555</u>	<u>1,431,581</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE PERIOD ENDED 30 JUNE 2011

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	263,949	685,390
Social security	38,384	24,757
VAT	66,764	79,619
Accruals and deferred income	1,130,680	1,174,690
Amounts owed to group undertakings	355,333	410,266
Other Creditors	8,409	-
	<u>1,863,519</u>	<u>2,374,722</u>

8 CALLED UP SHARE CAPITAL

	2011	2010
	£	£
Allotted, called up and fully paid		
Ordinary shares of 1p each	3,180	3,180
Ordinary preference shares of 1p each	525	-
	<u>3,705</u>	<u>3,180</u>

On 30th June 2011, Mobile Interactive Group Limited's £350,000 loan to 4th Screen was converted as full payment for 52,474 ordinary preference shares at a par value of £525 and share premium of £349,475

9 RESERVES

	Share Premium Account	Profit & Loss Account	Total
	£	£	£
At 1 May 2010	212,820	(733,588)	(520,768)
Premium on shares issued	349,475	-	349,475
Loss for the period	-	(330,683)	(330,683)
At 30 June 2011	<u>562,295</u>	<u>(1,064,271)</u>	<u>(501,976)</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS-Continued
FOR THE PERIOD ENDED 30 JUNE 2011**

10 PENSION SCHEME

4th Screen participated in the Group operation of a defined contribution pension scheme as part of Mobile Interactive Group Limited

The pension cost charge for the period represents contributions paid by 4th Screen to the scheme and amounted to £2,425 (2010 £Nil). There were no outstanding or prepaid contributions at either the beginning or end of the financial period

11 ULTIMATE PARENT COMPANY

Until 14th November 2011, the company's ultimate parent company and ultimate controlling party was Mobile Interactive Group Limited, which is incorporated in the United Kingdom. On that date, 4th Screen Advertising Holdings Limited acquired Mobile Interactive Group Limited's shares in 4th Screen and became the ultimate controlling party. On 16th February 2012, Opera Software International AS became the Ultimate Parent Company of 4th Screen Advertising Limited

12 RELATED PARTY DISCLOSURES

During the period the company incurred the following charges from Mobile Interactive Group Limited, the parent company during the period under review

	2011	2010
	£	£
Marketing	24,430	20,940
Staff Cost	205,693	220,007
Occupation	84,000	58,500
Entertainment	11,294	9,684
Communication	7,000	6,000
Consultancy	30,300	10,800
	<u>362,717</u>	<u>325,931</u>

	£
As at 30 June 2011 4th Screen Advertising Ltd owed Mobile Interactive Group Limited	340,791
As at 30 April 2010 Mobile Interactive Group Limited owed 4th Screen Advertising Ltd	135,084
and 4th Screen had a short term loan with Mobile Interactive Group of	350,000
As at 30 June 2011 4th Screen Advertising Limited owed Digital Jigsaw Limited	14,542
As at 30 April 2010 4th Screen Advertising Limited owed Digital Jigsaw Limited	60,266

13 DEFERRED TAXATION

The company has a deferred tax asset of £22,388. The deferred tax asset (2010 £24,519) was not recognised in 2010 on the basis of uncertainty of future profits

	2011	2010
	£	£
Accelerated capital allowances	(1,545)	(3,676)
Tax losses carried forward	(16,923)	(16,923)
General provisions	(3,920)	(3,920)
	<u>(22,388)</u>	<u>(24,519)</u>

14 POST BALANCE SHEET EVENT

On 16th February 2012, 4th Screen Advertising Limited was wholly acquired by Opera Software International AS allowing Opera to significantly expand its offering to advertisers and mobile publishers that engage consumers via the mobile web and applications, across all mobile platforms. The transaction was for \$5m cash at closing plus \$3m cash in Escrow and \$0 to \$6.5m in potential earnout cash consideration