

YBRANT DIGITAL UK LIMITED

Director: Jacob Nizri

Secretary: Shahar Shaharabany

Registered Office: 37 Broadhurst Gardens
London
NW6 3QT

Registered No: 6087405 (England & Wales)

Auditors: Levy Cohen & Co
37 Broadhurst Gardens
London NW6 3T

Financial statements

For the year ended 31st March 2011

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YBRANT DIGITAL UK LIMITED

Director's Report

The Director presents the financial statements of the company for the year ended 31 March 2011

Principal Activity

The principal activity of the company during the year continue to be the sales of online media solutions to advertisers

Fixed Assets

Changes in tangible fixed assets during the year are detailed in note 6 of the financial statements

Dividend

The director does not recommend a distribution of dividend

Director

The director during the year was Jacob Nizri who does not have any beneficial interest in the company's issued ordinary share capital

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which 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 those 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,
- follow applicable accounting standards, 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 director is 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 Act 1985. They are 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

The above report has been prepared in accordance with special provision of Part 15 of the Companies Act 2006 relating to small companies, and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Directors' disclosure to the auditors

The directors confirm that

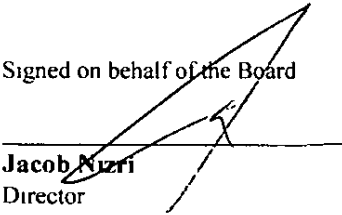
- So far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The auditors Levy Cohen & Co, are deemed to be reappointed under Section 487 (2) of the Companies Act 2006

The financial statements have been prepared in accordance with special provision of Part 15 of the Companies Act 2006 relating to small companies, and with Financial Reporting Standard for Smaller entities (as revised April 2008)

Signed on behalf of the Board


Jacob Nizri
Director

Approved by the Board
5 May 2011

Independent Auditors' Report to the Shareholders Of

YBRANT DIGITAL UK LIMITED

We have audited the financial statements of Ybrant Digital UK Limited for the year ended 31 March 2011 which comprise of the profit and loss account, the balance sheet and the related notes. 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 Practises Board's (APB's) Ethical Standards for Auditors, (including "APB Ethical Standards - Provisions available for Small Entities (Revised)", in the circumstances set out in note 1 to the financial statements.

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 directors, and the overall presentation of the financial statements.

OPINION

In our opinion the financial statements

- give a true and fair view of the company's affairs as at 31 March 2011 and of its profit 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 properly 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 directors' 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 were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Joseph Cohen (Senior statutory auditor)
for and on behalf of LEVY COHEN & CO, Statutory Auditor
37 Broadhurst Gardens, London, NW6 3QT
5 May 2011

YBRANT DIGITAL UK LIMITED

Profit and Loss Account

For the year ended 31st March 2011

	<i>Notes</i>	<i>31 03 2011</i> £	<i>31 3 2010</i> £
Turnover		2,322,832	1,465,498
Cost of Sales		<u>(1,977,788)</u>	<u>(1,218,015)</u>
Gross Profit		345,044	247,483
Operating Expenses	2	<u>(286,973)</u>	<u>(210,846)</u>
Operating profit	3	58,071	36,637
Net Financial cost	4	<u>(28,124)</u>	<u>(12,225)</u>
Profit Before Taxation		29,947	24,412
Taxation	5	<u>(7,224)</u>	<u>(8,737)</u>
Profit for the year		<u>£ 22,723</u>	<u>£ 15,675</u>

Statement of retained profit

	<i>31 03 2011</i> £	<i>31 3 2010</i> £
Retained profit as at 1 April 2010	109,039	93,364
Profit for the year	<u>22,723</u>	<u>15,675</u>
Retained profit as at 31 March 2011	<u>£ 131,762</u>	<u>£ 109,039</u>

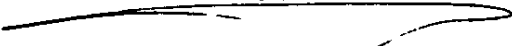
YBRANT DIGITAL UK LIMITED

Balance Sheet As At 31 March 2011

	<i>Notes</i>	<i>31 3 2011</i>	<i>31 3 2010</i>
		£	£
<i>Fixed Assets</i>			
Tangible Assets	6	2,331	2,519
<i>Current Assets</i>			
Debtors	7	1,080,540	537,276
Cash at bank and in hand		38,761	148,662
		<u>1,119,301</u>	<u>685,938</u>
<i>Creditors: Amounts falling due within one year</i>	8	<u>(989,869)</u>	<u>(579,417)</u>
<i>Net Current Assets</i>		<u>129,432</u>	<u>106,521</u>
<i>Total assets less current liabilities</i>		<u>£ 131,763</u>	<u>£ 109,040</u>
<i>Capital and Deficit</i>		£	£
Called up share capital	9	1	1
Profit and loss account		<u>131,762</u>	<u>109,039</u>
Shareholders' fund		<u>£ 131,763</u>	<u>£ 109,040</u>

The financial statements have been prepared in accordance with special provision of Part 15 of the Companies Act 2006 relating to small companies, and with Financial Reporting Standard for Smaller Entities (as revised April 2008)

Signed on behalf of the Board


Jacob Nizri
 Director

Approved by the Board
 5 May 2011

YBRANT DIGITAL UK LIMITED

Notes to the Financial Statements - 31 March 2011

1. Accounting Policies

(a) *Basis of Accounting*

The financial statements have been made under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (as revised April 2008)

(b) *Turnover and Revenue*

Turnover represents net invoiced value of goods and services excluding VAT Turnover attributed to the United Kingdom markets amount to 68 68%

Revenue is only recognized to the extend that it is clear that collection is certain

(c) *Tangible Fixed Assets*

Depreciation is provided at the following annual rates in order to write off the assets over their estimated useful lives

Computer and software	25% straight line
Office Equipment	25% straight line
Furniture and fittings	25% straight line

(d) *Deferred Taxation*

Deferred taxation is provided using the liability method to take into account timing differences arising from the inclusion of items of expenditure in taxation computations in periods that differ from those in which they are included in the financial statements to the extent that it is probably that a liability or assets will crystallize in the future.

Provision for deferred taxation is set off against debit balance of deferred taxation.

(e) *Foreign Currencies*

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date Transaction in Foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction

YBRANT DIGITAL UK LIMITED

Notes to the Financial Statements - 31 March 2011

2. Operating expenses

	<i>31 03 2011</i>	<i>31 03 2010</i>
	<i>£</i>	<i>£</i>
Marketing and selling costs	14,095	20,273
Administrative expenses	<u>272,878</u>	<u>190,573</u>
	<u>286,973</u>	<u>210,846</u>

3. Operating profit

	<i>31 03 2011</i>	<i>31 03 2010</i>
	<i>£</i>	<i>£</i>
<i>The operating profit is stated after charging</i>		
Depreciation on tangible fixed assets	1,006	407
Auditors' remuneration	<u>4,200</u>	<u>4,200</u>

4. Net Financial cost

	<i>31 03 2011</i>	<i>31 03 2010</i>
	<i>£</i>	<i>£</i>
Interest receivable	260	-
Other interest payable	(6)	-
Foreign currency loss	<u>(28,378)</u>	<u>(12,225)</u>
	<u>(28,124)</u>	<u>(12,225)</u>

5. Taxation

	<i>31 03 2011</i>	<i>31 03 2010</i>
	<i>£</i>	<i>£</i>
Current year charge	<u>7,224</u>	<u>8,737</u>
	<u>7,224</u>	<u>8,737</u>

The tax charge during the period is corporation tax at the rate of 24 1% (2010 - 24.17%).

Deferred tax liability for the sum of £6 (2010 - £355) is not included as it is immaterial.

YBRANT DIGITAL UK LIMITED

Notes to the Financial Statements - 31 March 2011

6. Tangible Fixed Assets	<i>Office Equipment £</i>	<i>Furniture & fittings £</i>	<i>Computer & Software £</i>	<i>Total £</i>
Cost:				
As at 1 April 2010	136	1,701	1,647	3,484
Additions	-	226	592	818
At 31 March 2011	<u>136</u>	<u>1,927</u>	<u>2,239</u>	<u>4,302</u>
Depreciation:				
As at 1 April 2010	67	722	176	965
Charge for the Year	27	448	531	1,006
At 31 March 2011	<u>94</u>	<u>1,170</u>	<u>707</u>	<u>1,971</u>
Net Book Value:				
At 31 March 2011	<u>42</u>	<u>757</u>	<u>1,532</u>	<u>2,331</u>
At 31 March 2010	<u>69</u>	<u>979</u>	<u>1,471</u>	<u>2,519</u>

7. Debtors	<i>31 03 2011 £</i>	<i>31 03 2010 £</i>
Trade debtors	708,597	516,029
Group company	345,888	-
Other debtors	17,164	17,258
Prepayments and accrued income	8,891	3,989
	<u>1,080,540</u>	<u>537,276</u>

8. Creditors: Amounts falling due within one year	<i>31 03 2011 £</i>	<i>31 03 2010 £</i>
Trade creditors	15,498	-
Parent company	885,614	470,500
VAT	66,352	36,995
Corporation tax	7,224	8,429
Accruals and deferred income	15,181	63,493
	<u>989,869</u>	<u>579,417</u>

YBRANT DIGITAL UK LIMITED

Notes to the Financial Statements - 31 March 2011

9. *Share Capital*

	<i>31 3 2011</i>	<i>31 3 2010</i>
	<i>£</i>	<i>£</i>
Authorized:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

10. *Related Party Transactions:*

Control:

The immediate parent company is Online Media Solutions Ltd, a foreign company registered in Israel

The ultimate parent company is Ybrant Digital Limited, a foreign company registered at Hyderabad, India

Transaction:

During the year the company was charged the amount of £1,977,788 (2010 - £1,218,015) by the parent company for cost of sales

11. *Commitment*

As at 31 03 2011 the company has annual rental commitment of £14,175 of office rental that will expire within 2 years