

DIGITALIS MEDIA LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**for the year ended
31st March 2010**



INDEPENDENT AUDITORS' REPORT**TO THE SHAREHOLDERS OF
DIGITALIS MEDIA LIMITED**

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of the company for the year ended 31st March 2010, prepared under section 396 of the Companies Act 2006

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Paul Taylor 27 May 2011

Paul Taylor FCA (Senior Statutory Auditor)
for and on behalf of.
Kings Mill Partnership
Chartered Accountants
Statutory Auditors

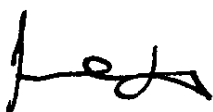
75 Park Lane
Croydon
Surrey
CR9 1XS

DIGITALIS MEDIA LIMITED**BALANCE SHEET**
as at 31st March 2010

	Notes	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	2		119,032		675
Intangible Fixed Assets	3		93,101		98,001
Investment in group undertakings	4		918		-
			<u>213,051</u>		<u>98,676</u>
CURRENT ASSETS					
Debtors		850,643		9,568	
Cash at bank and in hand		731,663		8,501	
		<u>1,582,306</u>		<u>18,069</u>	
CREDITORS amounts falling due within one year		<u>(345,569)</u>		<u>(87,169)</u>	
Net Current Assets/(Liabilities)			<u>1,236,737</u>		<u>(69,100)</u>
Total Assets less Current Liabilities			<u>1,449,788</u>		<u>29,576</u>
CREDITORS amounts falling due after more than one year			<u>(559,350)</u>		<u>-</u>
NET ASSETS			<u>£ 890,438</u>		<u>£ 29,576</u>
CAPITAL AND RESERVES					
Called up share capital	5		11,437		2,000
Share premium account			1,180,428		98,001
Profit and loss account			(301,427)		(70,425)
			<u>£ 890,438</u>		<u>£ 29,576</u>

In preparing these financial statements the directors have taken advantage of the exemptions applicable to small companies conferred by Part 15 of the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 2 to 5 were approved by the board on 25 May 2010



D. J. King
Director

DIGITALIS MEDIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31st March 2010

1. ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Basis of preparation

The company relies on its shareholders' for continued financial support which has been provided by unsecured convertible loan notes of £559,350 at the balance sheet date. The shareholders' have indicated that they will provide financial support for at least the next twelve months. In the coming year, additional funding from the shareholders' amounting to £411,600 has been secured.

Profit and cash flow forecasts have been prepared which show the company trading at a loss for the coming year, which is supported by the current monthly management accounts. After this date, the profit and cash flow forecasts indicate that the company will be trading profitably. Additional funding has been secured by the company from shareholders' in the current financial year.

Having assessed the company's financial position, alongside the budgets and cash flow forecasts, the directors believe it appropriate to prepare the financial statements on a going concern basis. The assumption is dependent on the support of the shareholders'. The directors have taken steps to assure themselves that the support of the shareholders' will not be withdrawn over the twelve month period from the date of signing these financial statements.

Turnover

Turnover represents the invoiced value of goods and services supplied to customers net of value added tax.

Depreciation of tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is provided so as to write off the cost of tangible fixed assets less their estimated residual values on a straight line basis over the assets estimated economic life. The principal rates used are as follows:

Fixtures and Fittings	- 3 years straight line
Computer Equipment	- 3 years straight line

Goodwill

Goodwill attaching to the business acquired from an associated unincorporated business has been capitalised under the heading of Intangible Fixed Assets. The directors have undertaken an impairment review of the goodwill in the light of the FRSSE, taking account of future cash flows and the current operating result. Goodwill is amortised through the Profit and Loss Account over a period not exceeding 20 years, estimated by the directors to be the useful economic life.

Deferred taxation

Deferred tax is provided using the liability method in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised where it is considered more likely than not that future profits will be available for offset. The company has not adopted a policy of discounting deferred tax assets and liabilities.

Cash flow statement

The company qualifies as a small company under the Companies Act 2006. The directors have elected to take advantage of the exemption under the FRSSE not to prepare a cash flow statement.

Consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 383 of the Companies Act 2006 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

DIGITALIS MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2010 (continued)**2. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost:			
At 1st April 2009	273	479	752
Additions	354	131,202	131,556
At 31st March 2010	<u>627</u>	<u>131,681</u>	<u>132,308</u>
Depreciation:			
At 1st April 2009	23	54	77
Charge for the year	196	13,003	13,199
At 31st March 2010	<u>219</u>	<u>13,057</u>	<u>13,276</u>
Net book value at			
At 31st March 2010	<u>£ 408</u>	<u>£ 118,624</u>	<u>£ 119,032</u>
At 31st March 2009	<u>£ 250</u>	<u>£ 425</u>	<u>£ 675</u>

3. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
At 1st April 2009 and 31st March 2010	<u>98,001</u>
Depreciation:	
At 1st April 2009	-
Charge for the year	4,900
At 31st March 2010	<u>4,900</u>
Net book value at	
At 31st March 2010	<u>£ 93,101</u>
At 31st March 2009	<u>£ 98,001</u>

4 INVESTMENT IN GROUP UNDERTAKINGS

	2010	2009
Investment in Subsidiary at cost	<u>£ 918</u>	<u>£ -</u>

DIGITALIS MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2010 (continued)

4. INVESTMENT IN GROUP UNDERTAKINGS (continued)

Name of Company	Class of Shares	Status	Proportion	Aggregate capital and reserves 2010 £	Loss for the year 2010 £
Digitalis Response Limited	Ordinary	Trading	97%	£(115,671)	£ (115,771)
Digitalis Reputation Limited	Ordinary	Trading	82%	£(211,338)	£ (212,338)
Digitalis Retail 1 Limited	Ordinary	Trading	100%	£(241,391)	£ (241,392)
Gardeners Heaven Limited	Ordinary	Trading	55%	£ (72,782)	£ (72,882)
Digitalis Annuities Limited	Ordinary	Dormant	100%	£ 1	£ -

The above company's are registered in England and Wales and have a year end of 31st March

5. SHARE CAPITAL

	2010	2009
Authorised 100,000 Ordinary shares of £1 each	£ 100,000	£ 100,000
Allotted, called up and fully paid 11,437 Ordinary shares of £1 each	£ 11,437	£ 2,000

On 5th June 2009, the company issued 2,897 Ordinary shares, all of which were issued at a premium of £99 per share. On 30th November 2009, the company issued 3,040 Ordinary shares, all of which were issued at a premium of £124 per share. On 31st December 2009, the company issued 3,500 Ordinary shares, all of which were issued at a premium of £149 per share.

6 RELATED PARTY TRANSACTIONS

During the year, the company recharged sales amounting to £660,644 to its subsidiary company, Digitalis Response Limited at arms length. The company also recharged costs and overheads amounting to £774,990 to Digitalis Response Limited, also at arms length. The amount due to the company at year end is £298,127.

During the year, the company recharged sales amounting to £95,681 to its subsidiary company, Digitalis Reputation Limited at arms length. The company also recharged costs and overheads amounting to £306,594 to Digitalis Reputation Limited, also at arms length. The amount due to the company at year end is £216,641.

During the year, the company recharged costs and overheads amounting to £254,787 to its subsidiary company, Digitalis Retail 1 Limited at arms length. The amount due to the company at year end is £259,796.

During the year, the company recharged sales amounting to £17,689 to its indirect subsidiary company, Gardeners Heaven Limited at arms length. The company also recharged costs and overheads amounting to £61,321 to Gardeners Heaven Limited, also at arms length. The amount due to the company at year end is disclosed in £50,097.

Prior to year end, the directors incorporated Digitalis Annuities Limited, an indirect subsidiary. The amount due to the company at year end is £300.