

Offshore Digital Services, Inc.

Financial Statements

Three-month and year to date periods
ended September 30, 2009 and 2008

with

Report of Independent Auditors

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

Report of Independent Auditors

To the Board of Directors of
Offshore Digital Services, Inc.

We have audited the accompanying balance sheets of Offshore Digital Services, Inc. as of September 30, 2009 and 2008, and the related statements of operations and retained earnings (accumulated deficit) and cash flows for the three-month and year to date periods then ended. These financial statements are the responsibility of the management of Offshore Digital Services, Inc. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Offshore Digital Services, Inc. as of September 30, 2009 and 2008, and the results of its operations and cash flows for the three-month and year to date periods then ended, in conformity with accounting principles generally accepted in the United States.

Offshore Digital Services, Inc. is a wholly owned subsidiary of Sonata Software Limited, and has significant transactions with its parent company.

The accompanied condensed financial statements, without the detailed notes, have been prepared solely for the purpose of consolidation and reporting by Sonata Software Limited.

Wilson Markle Stuckey Hardesty & Bott

Wilson Markle Stuckey Hardesty & Bott
October 4, 2009

Offshore Digital Services, Inc.
Balance Sheets

	<u>September 30, 2009</u>	<u>September 30, 2008</u>
Assets		
Current assets		
Cash and cash equivalents	\$1,051,134	\$177,846
Accounts receivable, net of allowance	2,087,398	2,019,155
Prepaid expenses	<u>7,676</u>	<u>50,394</u>
Total current assets	3,146,208	2,247,395
Property and equipment, at cost	285,052	283,520
Accumulated depreciation	<u>(267,244)</u>	<u>(258,390)</u>
Property and equipment, net	17,808	25,130
Deposits and other assets	<u>12,834</u>	<u>18,749</u>
Total assets	<u><u>\$3,176,850</u></u>	<u><u>\$2,291,274</u></u>
 Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable	\$ -	\$ -
Accounts payable - Sonata, net	2,952,544	2,324,120
Accrued expenses	<u>214,742</u>	<u>303,398</u>
Total current liabilities	3,167,286	2,627,518
Preferred stock ; redeemable, \$0.0001 par value, liquidation value of \$1.00 per share; 6,500,000 shares authorized, 2,500,000 shares issued and outstanding	2,500,000	2,500,000
Stockholder's equity		
Common stock; \$0.0001 par value; 3,500,000 shares authorized, 300,000 shares issued and outstanding	300,000	300,000
Retained earnings (accumulated deficit)	<u>(2,790,436)</u>	<u>(3,136,244)</u>
Total stockholder's equity	<u>(2,490,436)</u>	<u>(2,836,244)</u>
Total preferred stock and stockholder's equity	<u>9,564</u>	<u>(336,244)</u>
Total liabilities and stockholder's equity	<u><u>\$3,176,850</u></u>	<u><u>\$2,291,274</u></u>

Offshore Digital Services, Inc.
Statements of Operations and Retained Earnings (Accumulated Deficit)

	<u>Quarter ended September 30, 2009</u>	<u>Quarter ended September 30, 2008</u>	<u>Year to date 2009/2010</u>	<u>Year to date 2008/2009</u>
Revenues				
Computer programming services	\$3,524,926	\$3,259,415	\$6,765,228	\$6,325,933
Direct costs				
Computer programming services	<u>3,252,940</u>	<u>2,709,101</u>	<u>6,162,538</u>	<u>5,273,491</u>
Income from operations	271,986	550,314	602,690	1,052,442
General and administrative expenses				
Sales, general and administrative expenses	183,592	395,597	433,419	740,744
Depreciation	<u>1,943</u>	<u>3,277</u>	<u>3,849</u>	<u>6,517</u>
Total general and administrative expenses	<u>185,535</u>	<u>398,874</u>	<u>437,268</u>	<u>747,261</u>
Income before income taxes	86,451	151,440	165,422	305,181
Taxes on income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net income	86,451	151,440	165,422	305,181
Retained earnings (accumulated deficit)				
Beginning of period	<u>(2,876,887)</u>	<u>(3,287,684)</u>	<u>(2,955,858)</u>	<u>(3,441,425)</u>
End of period	<u><u>(\$2,790,436)</u></u>	<u><u>(\$3,136,244)</u></u>	<u><u>(\$2,790,436)</u></u>	<u><u>(\$3,136,244)</u></u>

Offshore Digital Services, Inc.
Statements of Cash Flows

	Quarter ended September 30, 2009	Quarter ended September 30, 2008	Year to date 2009/2010	Year to date 2008/2009
Cash flows from operating activities				
Net income	\$86,451	\$151,440	\$165,422	\$305,181
Adjustments to reconcile net income to net cash provided (used) by operating activities				
Depreciation	1,943	3,277	3,849	6,517
Changes in current assets and liabilities				
Accounts receivable	(317,424)	(259,109)	(293,915)	268,467
Prepaid expenses	24,622	4,648	46,310	(6,503)
Accounts payable	(5,213)	(280)	(23)	-
Accrued expenses	(45,180)	35,921	(28,798)	(95,388)
Net cash provided (used) by operating activities	(254,801)	(64,103)	(107,155)	478,274
Cash flows from investing activities				
Purchases of property and equipment	(746)	(379)	(746)	(7,874)
Net change in deposits and other assets	1,791	-	3,405	7,014
Net cash provided (used) by investing activities	1,045	(379)	2,659	(860)
Cash flows from financing activities				
Net change in accounts payable - Sonata	377,496	(149,003)	658,193	(552,936)
Net cash provided (used) by financing activities	377,496	(149,003)	658,193	(552,936)
Net change in cash and cash equivalents	123,740	(213,485)	553,697	(75,522)
Cash and cash equivalents, Beginning of period	927,394	391,331	497,437	253,368
End of period	\$1,051,134	\$177,846	\$1,051,134	\$177,846
Supplemental cash flow information				
Cash paid for income taxes during the period	-	-	-	-