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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
United Communications Partners Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of United Communications Partners Inc. and Subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity and comprehensive loss and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by Auditing Standard Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Communications Partners Inc. and Subsidiaries, as of December 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, at December 31, 2011, the Company has not achieved a sufficient level of revenues to support its business and has suffered recurring losses from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Marcum LLP

New York, NY
April 30, 2012

United Communications Partners Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands of USD)

	December 31, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 734	$ 395
Accounts receivable, net	3,801	3,230
Costs and estimated earnings in excess of billings on projects in progress	1,150	740
Prepaid expenses and other current assets	376	197
Total current assets	6,061	4,562
Equipment, net	141	138
Equity investments	788	-
Goodwill	3,710	3,710
Other intangible assets, net	562	728
Deposit for equity investment	-	701
Deferred financing costs, net of accumulated amortization of $4 and $7 in 2011 and 2010, respectively.	1	1
Total assets	$ 11,263	$ 9,840

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries

Consolidated Balance Sheets (continued)

(In thousands of USD)

	December 31, 2011	2010
Liabilities		
Current liabilities:		
Accounts payable	$ 7,746	$ 5,614
Accrued expenses and other current liabilities	596	437
Billings in excess of costs and estimated earnings on projects in progress	83	179
Note payables, net of discount	504	686
Derivative liabilities	78	185
Advances from related parties	179	81
Total current liabilities	9,186	7,182
Note payables, net of current portion	69	-
Contingent consideration – Tre Kronor	2	30
Liability to redeemed stockholder	387	387
Total liabilities	9,644	7,599
Commitments and contingencies		
Stockholders' Equity		
Preferred stock $0.001 per share par value; 100,000,000 authorized; 0 issued and outstanding.	-	-
Common stock $0.001 per share par value; 2,000,000,000 shares authorized, 1,526,304,772 shares issued, and 1,519,307,772, shares outstanding at December 31, 2011; 453,150,312 shares; issued, and 439,150,312 outstanding at December 31, 2010.	1,526	453
Additional paid-in capital	8,838	9,470
Accumulated deficit	(8,177)	(7,097)
Treasury stock, at cost, 7,000,000 and 14,000,000 shares	(7)	(14)
Accumulated other comprehensive loss	(174)	(184)
Notes receivable from affiliate	(387)	(387)
Total Stockholders' equity	1,619	2,241
Totals liabilities and stockholders' equity	$ 11,263	$ 9,840

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries

Consolidated Statements of Operations

(In thousands of USD, except for per share amounts)

	For the Years Ended December 31, 2011	For the Years Ended December 31, 2010
Net revenues	$ 15,833	$ 8,645
Cost of revenues	(12,236)	(7,328)
Gross Profit	3,597	1,317
Selling, general and administrative expenses	(4,498)	(2,391)
Depreciation and amortization	(230)	(136)
Loss from continued operations	(1,131)	(1,210)
Other income (expense), net:		
Income from equity investments	102	-
Gain on extinguishment of debt	-	184
Gain (loss) from change in fair value of derivative liabilities	133	(30)
Gain from change in fair value of contingent consideration	28	335
Impairment of goodwill from acquisition of Nyheter 365 AB	(9)	-
Loss from disposal of equipment	(14)	-
Interest expense	(161)	(307)
Total other income (expense), net	79	182
Net loss from continued operations before taxes	(1,052)	(1,028)
Provision for income taxes	(28)	(40)
Net loss from continued operations	(1,080)	(1,068)
Discontinued operations:		
Loss from discontinued operations	-	(3,687)
Gain on deconsolidation of subsidiaries	-	3,839
Income (loss) from discontinued operations	-	152
Net loss	$ (1,080)	$ (916)
Loss per share – Basic and diluted:		
Continuing operations	$ (-)	$ (-)
Discontinued operations:		
Loss from discontinued operations	-	(0.01)
Gain from disposal of assets in subsidiaries	-	0.01
Net loss from discontinued operations	(-)	(-)
Weighted-average shares outstanding:		
Basic and diluted	620,813,607	395,336,142

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity and Comprehensive Loss
For the years ended December 31, 2011 and 2010.
(In thousands of USD)

	Common Stock Shares	Common Stock Amount	Treasury Shares	Treasury Shares Amount	Notes Receivable From Affiliate	Additional Paid-In Capital	Accumulated Deficit	Accumulated Comprehensive Loss	Total
Balance at January 1, 2010	351,364,254	351	-	-		2,919	(6,181)	(60)	(2,971)
FASB ASC 810 adjustment - excess of ARB 51 over redemption amount	-	-	-	-		123	-	-	123
Issuance of common stock for investment in Anaconda GmbH	14,000,000	14						-	14
Issuance of common stock for conversion of notes payable	14,707,025	15	-	-		359	-	-	374
Debt contributed to capital – related parties	-	-	-	-		223	-	-	223
Net proceeds from issuances of common stock	36,111,773	36	-	-		794	-	-	830
Notes receivable from affiliate			-	-	(387)	-	-	-	(387)
Issuance of common stock to acquire Tre Kronor Media	35,000,000	35	-	-		3,753	-	-	3,788
Stock-based compensation	-	-	-	-		94	-	-	94
Stock based compensation, consulting services	-	-	-	-		152	-	-	152
Issuance of common stock for consulting services	1,250,000	1	-	-		70	-	-	71
Issuance of common stock for conversion of B class redeemable preferred shares of non-controlling interest	717,260	1	-	-		983	-	-	984
Shares surrendered for re-convey of acquisition	-	-	(14,000,000)	(14)		-	-	-	(14)
Comprehensive loss:									
Net loss for the period	-	-	-	-		-	(916)	-	(916)
Foreign currency translation adjustment	-	-	-	-		-	-	(124)	(124)
Comprehensive loss	-	-		-		-	-	-	(1,040)
Balance at December 31, 2010	453,150,312	$ 453	(14,000,000)	$ (14)	$ (387)	$ 9,470	$ (7,097)	$ (184)	$ 2,241
Issuance of common stock for conversion of notes payable	114,001,044	114	-	-		25	-	-	139
Shares surrendered for re-convey of acquisition	(7,000,000)	(7)	7,000,000	7		-	-	-	-
Net proceeds from issuances of common stock	9,337,000	9	-	-		70	-	-	79
Net proceeds from issuance of common stock previous years	21.978,976	22	-	-		(22)	-	-	-
Reclassification of derivative liability to equity	-	-	-	-		89	-	-	89
Shares to be issued for conversion of debts per date of maturity	-	-	-	-		4	-	-	4
Stock based compensation, consulting services	-	-	-	-		111	-	-	111
Issuance of common stock for consulting services	258,000	0.3	-	-		17	-	-	17
Issuance of common stock to acquire Tre Kronor Media	934,579,440	935	-	-		(935)	-	-	-
Common stock transferred from affiliate to acquire Nyheter 365 AB	-	-	-	-		9	-	-	9
Net loss for the period	-	-	-	-		-	(1,080)	-	(1,080)
Foreign currency translation adjustment	-	-	-	-		-	-	10	10
Comprehensive loss	-	-		-		-	-	-	(1,070)
Balance at December 31, 2011	1,526,304,772	$ 1,526	(7,000,000)	$ (7)	$ (387)	$ 8,838	$ (8,177)	$ (174)	$ 1,619

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands of USD)

		For the Year ended December 31, 2011		For the Year ended December 31, 2010
Cash flows from operating activities:				
Net loss	$	(1,080)	$	(916)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		64		36
Amortization of intangible assets		166		102
Amortization of debt discount		104		143
Amortization of deferred financing costs		4		7
Gain from extinguishment of debt		-		(184)
Loss (gain) from change in fair value of derivative liabilities		(133)		30
Gain on change in fair value of contingent consideration		(28)		(335)
Stock based compensation		128		317
Income from equity investments		(102)		-
Loss from disposal of equipment		14		-
Impairment of goodwill from acquisition of Nyheter 365 AB		9		-
Accrued interest		18		-
Gain on deconsolidation of subsidiaries		-		(3,839)
Changes in operating assets and liabilities:				
Accounts receivable		(219)		(2,156)
Cost and estimated earnings in excess of billings on projects		(409)		(601)
Value added tax refund receivable		-		(20)
Prepaid expenses and other current assets		(156)		8
Accounts payable		2,062		4,444
Accrued liabilities		(204)		(1,002)
Corporate taxes		73		39
Billings in excess of costs and estimated earnings		(94)		179
Operating activities from discontinued operations		-		2,941
Net cash used in operating activities		217		(807)
Cash flows from investing activities:				
Cash acquired in acquisition of Tre Kronor		-		962
Cash acquired in acquisition of Nyheter 365		29		-
Purchase of equipment		(62)		(21)
Deposit for equity investment		-		(701)
Equity investment		(5)		-
Advances to affiliate		-		(387)
Net cash used in investing activities		(38)		(147)
Cash flows from financing activities:				
Repayments of debt		(56)		(175)
Proceeds from debt, net of financing costs		75		962
Net repayments from borrowings from related party		98		(65)
Proceeds from issuance of common stock, net of issuance costs		79		830
Financing activities from discontinued operations		-		(223)
Net cash provided by financing activities		196		1,329
Effect of exchange rates on cash from continued operations		(36)		(180)
Effect of exchange rates on cash from discontinued operations		-		200
Net increase (decrease) in cash		339		395
Cash at beginning of period		395		-
Cash at end of period	$	734	$	395
Supplemental information:				
Cash paid for interest in continued operations	$	13	$	6
Cash paid for interest, discontinued operations	$	-	$	104
Non-cash investing and financing activities:				
Note payable converted into common shares	$	139	$	1,542
Extinguishment of debt from related parties	$	-	$	223
Issuance of common stock to acquire Tre Kronor (see Note 4)	$	-	$	3,788
Common stock transferred from affiliate to acquire Nyheter 365 (see Note 5)	$	9	$	-
Adjustment of non controlling interest to redemption value	$	-	$	118

See notes to the consolidated financial statements.

Note 1. Organization and Nature of Business

Organization

United Communications Partners Inc., ("UCP" or the "Company"), is a holding company that currently conducts its operations through its wholly owned subsidiary Tre Kronor Media AB, ("TKM" or "Tre Kronor") which was acquired on May 4, 2010 and Abrego Spain SL, which was established in November 2010.

Tre Kronor Media AB

On May 4, 2010, the Company completed the acquisition of all of the issued and outstanding shares of TKM, a Swedish media company in accordance with a share purchase agreement dated April 9, 2010. The Company believes that TKM's business model of performance-based marketing is consistent with the Company's strategy of acquiring professional, profitable and innovative multi-platform media companies.

The Company issued an aggregate of 35,000,000 shares of common stock to the shareholders of TKM, pro rata with their respective ownership interests in TKM, to complete the acquisition. Additional principal terms of the TKM agreement are summarized as follows:

- all shares issued to the TKM shareholders will be subject to a three year lock-up period;

- notwithstanding the above lock-up agreement, three of the shareholders will be permitted to sell annually a portion of their shares provided that (i) the total accumulated aggregate sales price does not exceed Swedish Kroner (SEK) 3,000,000, and (ii) the transfers do not exceed 10% of the daily registered volume of the Company's common stock on the Nasdaq OTC Bulletin Board; however, in 2010 the shareholders cannot sell any shares for the initial six months;

  in 2010 only, one of the principal shareholders, will redeem a portion of his shares against a cash payment from the Company in the aggregate amount of SEK 3,000,000 ($387,000). The redemption of the shares will be based on the valuation on the date of payment. On the date of acquisition the Company recorded $387,000 as a related party payable. The Company has agreed to extend the redemption of the portion of his shares against a cash payment in the aggregate amount of SEK 3,000,000 ($387,000) to December 31, 2013;

- in the event that the Company does not raise a minimum of either $3,000,000 either as debt or equity financing by December 31, 2010, the TKM shareholders will have the right to re-acquire all of the issued and outstanding shares of TKM by (i) delivering written notice by January 15, 2011 and returning to the Company all consideration issued to such shareholders within 30 days of such notice, including the cash value of any shares that may have been sold by the TKM shareholders,

  On August 11, 2010 the former shareholders of TKM renounced their right to re-acquire the issued and outstanding shares as described above.

- the Company have also agreed to issue up to an additional 6,000,000 shares of its common stock based on TKM achieving certain "Earnings Before Tax" (" EBT "), as determined in accordance with the agreement, thresholds for the accounting years 2010 to 2012:

  - EBT being more than SEK 2 million ($274,667) for 2010; issuance of additional 2,000,000 shares of the Company
  - EBT being more than SEK 3 million ($412,000) for 2011; issuance of additional 2,000,000 shares of the Company
  - EBT being more than SEK 4 million ($549,333) for 2012; issuance of additional 2,000,000 shares of the Company

- as an alternative to the above, the TKM shareholders will receive 4,000,000 shares if the accumulated EBT for 2010 and 2011 is more than SEK 5 million ($686,667), or 6,000,000 shares if the accumulated EBT for 2010, 2011 and 2012 is more than SEK 9 million.

- On the date of the acquisition, the Company recorded an accrual of $365,000 as long-term contingent consideration. The Company based this accrual on the fair value of the amount anticipated to be incurred as a result of the projections available at the date of the acquisition. At December 31, 2011 the contingent consideration was valued at $2,000. During fiscal 2011 and 2010, the Company recorded a gain from fair value change contingent consideration of $28,000 and $335,000 respectively.

On October 13, 2011, the Company entered into a amendment to a share purchase agreement (the "Amendment No. 2 ") with the former shareholders of TKM. The amendment set forth, that the parties have agreed to annul the clauses, after which the former principal shareholders in TKM are entitled to a cash compensation, each of $600,000 should they leave the Company.

In consideration of annulments of the clauses, the Company has agreed to issue formal principal stockholders of TKM newly issued shares in the Company in the amount equal to $600,000 each, for an aggregate purchase price of $1,200,000.

On November 11, 2011, the Company issued an aggregate 934,579,440 shares of common stock of the Company to the former principal shareholders of TKM at market price of $0.001284 per share in consideration of the annulment pursuant to the Amendment No. 2.

Ceased Danish operations

Up until September 8, 2010, UCP owned Bark Corporation A/S (Bark Corporation). Bark Corporation was a Danish holding company that conducted its operations through its wholly owned subsidiaries Bark Advertising A/S ("Bark Advertising"), and Bark Property ApS. As discussed below, Bark Corporation and its wholly-owned subsidiaries were deconsolidated effective September 8, 2010 and thereinafter presented as discontinued operations.

During July and August 2010, the Danish subsidiaries of the Company continued to experience losses from operations due to decreased advertising spending by clients combined with local management's inability to generate sufficient new business activities. Moreover, management determined that the fixed costs and the expected revenues in the second half of 2010 would lead to continued substantial losses in 2010 and the first half of 2011. The continued decline in revenues and rising losses increased the Company's net working capital deficiency and increase demands for the Company's cash resources to service its debt in the Danish operations. On August 31, 2010, the Danish companies were not in possession of sufficient cash to continue its operations. Thus, the Company's management decided to cease its Danish operations. On September 8, 2010, management in the Danish companies filed for closing of all operations in Denmark, with the Danish court in Copenhagen. As a consequence of filing of bankruptcy and control of the Danish subsidiaries being accepted by the court effective September 8, 2010, the Company has deconsolidated the Danish subsidiaries. The operations of the Company's Danish subsidiaries through December 31, 2010, have been reclassified as discontinued operations in the accompanying consolidated financial statements.

Abrego Spain SL

Albrego Spain SL was established in November 2010 as a wholly-owned Spanish incorporated subsidiary of the Company.

Anaconda.tv GmbH

On March 31, 2010 the Company completed the acquisition of a 51% interest in Anaconda.tv GmbH ("Anaconda"), a television production company incorporated in Germany. In accordance with the authoritative guidance contained in ASC 805, *Business Combinations*, and ASC 810, *Consolidation*, management has performed an assessment based on all relevant facts and circumstances, and concluded that the minority shareholder of Anaconda has been granted a substantive participating right that precludes the Bark Corporation's majority voting interest from being considered a controlling financial interest. As such, the Company recorded its investment in Anaconda under the equity method, in accordance with ASC 323, *Investments—Equity Method and Joint Ventures.* On June 15, 2010, the Company entered into an agreement with Jesper Svane, a 10% shareholder of the Company, and Svaneco Ltd., a private company controlled by Mr. Svane, in respect to the ownership of Anaconda.tv GmbH, whereby:

- The Company agreed to convey to Mr. Svane a 25.5% interest in Anaconda that it acquired on March 31, 2010, thereby reducing the Company's ownership interest from 51% to 25.5%;
- as consideration for the conveyance, Mr. Svane surrendered, in July 2010, 7,000,000 shares of the common stock of the Company issued to him in connection with the Company's acquisition of its interest in Anaconda, and
- each party agreed to complete such transfers, assignments and surrenders of shares to give effect to the above agreements.

The agreement was entered into as a result of Anaconda's failure to deliver its audited financial statements. The Company anticipates that any determination to exercise the option to re-acquire the 25.5% interest from Mr. Svane would be contingent upon (i) audited financial statements of Anaconda for the year ended December 31, 2009 being completed, and (ii) 2010 financial performance of Anaconda in accordance with the agreed upon budgets.

On August 25, 2010 the Company entered into an agreement with Rene Lauritsen, a 10% shareholder of the Company, and Sapiens Alliance Ltd., a private company controlled by Mr. Lauritsen, in respect of the ownership of Anaconda.tv GmbH, a television production company incorporated in Munich, Germany (" **Anaconda** ") whereby:

- The Company agreed to convey to Mr. Lauritsen a 25.5% interest in Anaconda that was acquired by us in January 2010,
- as consideration for the conveyance, Mr. Lauritsen agreed to surrender 7,000,000 shares of the common stock of the Company issued to him originally in connection with the Company's acquisition of an interest in Anaconda, and
- each party agreed to complete such transfers, assignments and surrenders of shares to give effect to the above agreements.

The agreement was entered into as Anaconda had failed to deliver to us audited financial statements of Anaconda for the year ended December 31, 2009 in the manner that Anaconda had represented that it would deliver.

As a consequence of these transactions, the Company no longer owns any ownership interest in Anaconda effective August 25, 2010.

InSight AS

On October 31, 2010, TKM advanced SEK 4,746,550 approximately ($701,000) to acquire a 30% non controlling financial interest in Norwegian media company InSight AS, effectively January 1, 2011.

InSight AS is a Norwegian based media agency established in 2009. During 2010 and effective from January 1, 2011, InSight AS expanded its business significantly after signing a contract with one of the largest retailers in Norway regarding media strategy, counseling, media purchases and campaign execution. Effective January 1, 2011 Tre Kronor completed the acquisition of the 30% non-controlling interest in InSight AS for cash consideration of Swedish Kronor (SEK) 4,756,550 ($701,000) which was paid on October 31, 2010. Subsequent to TKM's acquisition of the non-controlling interest the Company's chief executive officer, Mr. Niclas Fröberg was appointed director in the board of InSight A/S.

CCCP Media AB

During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 ($14,583) in which TKM holds a non-controlling interest of 33.3% which is equivalent to SEK 33,333 ($4,861).

Nyheter 365 AB (formerly Atna World AB)

On December 23, 2011 TKM acquired all issued and outstanding shares in the Swedish advertising company Nyheter 365 AB (formerly Atna World AB) ("Nyheter 365") effectively January 1, 2011. Subsequent to the acquisition the name of the company was changed to Nyheter 365 AB.

Nyheter 365 was a Swedish advertising agency, established in 2010, with 6 employees and a small portfolio of clients. Since established, Nyheter 365 conducted its business from the premises of TKM. Effective January 1, 2011 TKM employed all former employees of Nyheter 365. During 2011 activities in Nyheter 365 were not material

As consideration for the acquired shares, the former shareholders of Nyheter 365 received a total of 10,000,000 shares of common stock in UCP. Such shares were transferred free of charge from an affiliate to UCP. (See Note 5)

Business

United Communications Partners and its subsidiaries (collectively, the "Company") offer its customers a network of advertising and media services. The Company's strategy is to acquire mid-size or make equity investments in well established businesses throughout Europe in order to form a European network of advertising and media agencies.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

During fiscal 2011 and 2010 the Company incurred net losses of $1,080,000 and $916,000 respectively. The Company continues to operate with a working capital deficiency (approximately $3,125,000 at December 31, 2011) and has limited financial resources available to pay ongoing financial obligations as they become due.

The Company's operations generated $217,000 during 2011.

The Company's current source of funding, in addition to cash on hand is any cash derived from operations and an operating line of credit of approximately $722,000. However, the Company will require additional financing to conduct its business in accordance with its plan of operations on a long term basis.

Based on the Company's current forecast it anticipates that cash flow from operations will be sufficient to cover i) its current on-going operating expenses for the next 12 months and ii) the majority of the working capital deficit at December 31, 2011. The Company estimates that it will require approximately $1,053,000 over the next twelve months in order to sustain its current obligations and to fully satisfy its working capital deficiency.

The Company's acquisition strategy is based primarily on share-for-share agreements with limited cash requirements which mean that the need for additional financing in order to expand the business is limited on a short term basis.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. These audited consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The consolidated financial statements as of December 31, 2011 and 2010 include the accounts of UCP and its wholly-owned subsidiaries as described in Note 1. All intercompany transactions and balances have been eliminated in the consolidated financial information provided.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. The Company evaluates all of its estimates on an on-going basis.

Significant estimates and assumptions include the valuation of acquired assets including goodwill, the useful lives of assets, revenue recognition, income tax valuation, stock valuation, debt discounts on notes payable, other intangible assets and bad debts. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, actual results could differ in the near term from these estimates, and such differences could be material.

Revenue recognition

Most of the Company's client contracts are individually negotiated and accordingly, the terms of client engagements and the bases on which the Company earns commissions and fees vary significantly. Direct costs include fees paid to external suppliers where they are retained to perform part or all of a specific project for a client and the resulting expenditure is directly attributable to the revenue earned. Revenue is stated exclusive of VAT (value added tax), sales taxes and trade discounts.

The Company's revenue is typically derived from commissions on media placements and fees for advertising services. Revenue may consist of various arrangements involving fixed fees, commissions, or incentive-based revenue, as agreed upon with each client.

The Company earns commissions from referrals of services to other vendors, marketing agencies, who ultimately provide the end service to the customer. Commissions are generally earned on the date of broadcast or publication.

Revenue for the Company's fixed-fee contracts is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognized in two principal ways: proportional performance or completed contract.

- Fixed-fee contracts are generally recognized as earned based on the proportional performance method of revenue recognition. In assessing contract performance, both input and output criteria reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labor. As a result of the relationship between labor and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is always subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.

- Certain fees (such as for marketing services related to rebates offered by clients to their external customers) are deferred until contract completion as the final act is so significant in relation to the service transaction taken as a whole. Fees are also recognized on a completed contract basis if any of the criteria of the Financial Accounting Standards Board (FASB), Accounting Standard Codification (ASC) 605-10-S99, *Revenue Recognition*, were not satisfied prior to job completion or if the terms of the contract do not otherwise qualify for proportional performance.

Incentive-based revenue typically comprises quantitative criteria. Revenue is recognized when the quantitative targets have been achieved.

In compliance with FASB ASC 605-45 *Principal Agent Considerations*, Reporting Revenue Gross as a Principal versus Net as an Agent , the Company assess whether its agency or the third-party supplier is the primary obligor. The Company evaluate the terms of its client agreements as part of this assessment. In addition, the Company gives appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the vendor. For a substantial portion of its client contracts the Company acts as principal as the Company are the primary obligor and bear credit risk related to the services it provide. In these contracts the Company record revenues and costs of revenues gross. In certain contracts the Company records a net amount principally on those contracts where the Company only earn a commission.

Sales Tax and Value Added Taxes

In accordance with FASB ASC 605-45, the Company accounts for sales taxes and value added taxes imposed on its good and services on a net basis in the consolidated statement of operations.

Cash and cash equivalents

For purposes of reporting cash and cash equivalents, the Company considers all short-term highly liquid investments when purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable Allowance

The Company maintains an allowance for doubtful accounts for estimated losses from the inability of its customers to make payments when due or within a reasonable period of time thereafter. The Company performs periodical reviews of its accounts receivable to determine whether an allowance for doubtful accounts is necessary based on an analysis of past due accounts, historical payment patterns by customers and individual customer circumstances. If the financial condition of customers were to deteriorate, resulting in the inability to make required payments, additional allowances may be required. There were no allowances for doubtful accounts receivables as of December 31, 2011 or as of December 31, 2010.

Equipment

Equipment is stated at historical cost less accumulated depreciation. Equipment is depreciated using the straight-line method over the estimated useful lives of such assets. The useful lives for computing depreciation for furniture, fixtures and computer equipment ranges from 3 to 5 years

Upon retirement or other disposition, the cost and related accumulated depreciation and amortization of the assets are removed from the accounts and any resulting gain or loss is reflected in operating expenses or other income. Expenditures for major renewals and improvements which extend the life of the asset are capitalized. Ordinary repairs and maintenance are charged directly to cost of revenues or operating expenses, depending upon their nature.

Impairment of Long-Lived Assets

The Company annually, or whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable, assesses the carrying value of long-lived assets in accordance with FASB ASC 360 10. The Company evaluates the recoverability of long-lived assets not held for sale by measuring the carrying amount of the assets against the estimated undiscounted future cash flows associated with them. If such evaluations indicate that the future discounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their estimated fair values.

Goodwill and Intangible assets – Finite lives

The Company accounts for its acquisitions utilizing the purchase method of accounting. Under the purchase method of accounting, the total consideration paid is allocated to the underlying assets and liabilities, based on their respective estimated fair values. The excess of purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of certain acquired assets and liabilities, identifiable intangible assets in particular, is subjective in nature and often involves the use of significant estimates assumptions. Finite-lived identifiable intangible assets are amortized over its expected life on a straight-line basis, as this basis approximates the expected cash flows from the Company's existing finite-lived identifiable intangible assets over the expected future.

UCP acquired all the shares of TKM on May 4, 2010. The acquisition was completed pursuant to a share transfer agreement entered into between UCP and the shareholders of TKM. The Company recorded goodwill in connection with the excess cost over fair value of the net assets acquired.

Goodwill is accounted for under FASB ASC 350, *Goodwill and other*. Under FASB ASC 350, the Company's goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amounts may not be recoverable. The Company elected to conduct its impairment tests in March. The Company's reporting unit is tested individually for impairment by comparing the fair value of the reporting unit with the carrying value of that unit. Fair value is determined based on a valuation study performed by the Company using the discounted cash flow method and the estimated market values of the reporting units. There was no impairment of goodwill during the year ended December 31, 2011 and 2010.

Equity investments

Investments in business entities in which the Company lacks a controlling financial interest but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method in accordance with ASC 323, *Investments—Equity Method and Joint Ventures.*

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statement of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates, which approximates the fair value measured using Binomial Lattice Model. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Non controlling interest

Certain consolidated subsidiaries of UCP issued equity shares to parties unrelated to the Company. The Company accounts for such transactions in accordance with FASB ASC 810, *Consolidation*, FASB 810 requires that the difference between the carrying amount of the Company's investment in the subsidiary and the underlying net book value of the subsidiary after the issuance of the shares be recognized either as a gain or loss in the consolidated statement of operations or as a capital transaction. In these instances it is the Company's policy to consider gains and losses arising from such issuances of shares by a subsidiary as a capital transaction; as such no gain or loss is recognized in the statement of operations.

In instances where subsidiary shares issued are redeemable, the Non-controlling interest is recorded in accordance with FASB ASC 810, at the higher of (1) the redemption value required to be paid by the Company or (2) the amount that would result from applying consolidation accounting under FASB ASC 810. Adjustments recorded by the Company in relation to the recording of these costs are recorded within additional paid-in capital.

The Company previously recorded non-controlling interest dealt with certain Danish subsidiaries which were discontinued and deconsolidated during 2010.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

Uncertain tax positions are recognized in the financial statements for positions which are considered more likely than not of being sustained based on the technical merits of the position on audit by the tax authorities. The measurement of the tax benefit recognized in the financial statements is based upon the largest amount of tax benefit that, in management's judgment, is greater than 50% likely of being realized based on a cumulative probability assessment of the possible outcomes.

Loan Origination Fees

Loan origination fees represent costs incurred in connection with obtaining financing. These costs are amortized over the terms of the related financing which mature at various times through March 2012. The amortization of loan costs is included as a component of interest expenses in the accompanying consolidated statement of operations.

Foreign Currency

The Company has determined Swedish Kronor is the functional currency of its foreign operations. Accordingly, the foreign subsidiaries income and expenses are translated into U.S. dollars ("dollars"), the reporting currency of the Company, at the average rates of exchange prevailing during the year. The assets and liabilities are translated into U.S. dollars at the rates of exchange at the balance sheet date and the related translation adjustments are included in accumulated other comprehensive income. During the years ended December 31, 2011 and 2010 transaction gains or losses were not material.

Stock Based Compensation

The Company accounts for stock based awards in accordance with FASB ASC 718, *Compensation — Stock Compensation.* FASB ASC 718 requires all share-based payments, including grants of employee stock options and restricted stock, to be recognized in the Company's financial statements based on their grant date fair values and recognized over the requisite service period.

Loss per Share

Basic net loss per share has been calculated by dividing net loss by the weighted average number of common shares outstanding during the period. UCP had securities outstanding which could potentially dilute basic earnings per share in the future, but the incremental shares from the assumed exercise of these securities were excluded in the computation of diluted net loss per share, as their effect would have been anti-dilutive. Potential shares of common stock aggregating 208,422,500 and 42,662,650 are issuable upon conversion of debts for the year ended December 31, 2011 and 2010, respectively.

Fair Value of Financial Instruments

In accordance with FASB ASC 810 *Financial Instruments,* the carrying amounts reported in the statement of financial position for current assets and current liabilities qualifying as financial instruments are reasonable estimates of fair value due to their short term nature. The fair value of long-term debt is estimated to approximate fair market value based on current rates offered to the Company for debt of the same remaining maturities.

Segment Information

FASB ASC 280 *Segment Reporting, Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information on operating segments in interim and annual financial statements. The Company operates in one segment which is providing advertising and media services and primarily conducting its business in Sweden. The Company's chief operating decision-maker reviews the

Company's operating results on an aggregate basis and manages the Company's operations as a single operating segment. During the year ended 2011and 2010, the Company derived no revenue Abrego Spain SL.

Recent Accounting Pronouncements

In December 2011, the FASB issued Accounting Standards Update 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05*. ASU 2011-12 defers the requirement that companies present reclassification adjustments for each component of AOCI in both net income and OCI on the face of the financial statements. All other requirements in ASU No. 2011-05 are not affected by ASU No. 2011-12, including the requirement to report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial position and results of operations.

In November 2011, the FASB issued Accounting Standards Update No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. The amendments to the *FASB Accounting Standards Codification* (Codification) in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Coinciding with the release of ASU No. 2011-11, the IASB has issued *Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7).* This amendment requires disclosures about the offsetting of financial assets and financial liabilities common to those in ASU No. 2011-11. The guidance provided by this update becomes effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial position and results of operations.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08, Intangibles—Goodwill and Other (Topic 350)—Testing Goodwill for Impairment (ASU 2011-08), to simplify how entities test goodwill for impairment. ASU 2011-08 allows entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a greater than 50 percent likelihood exists that the fair value is less than the carrying amount then a two-step goodwill impairment test as described in Topic 350 must be performed. The guidance provided by this update becomes effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial position and results of operations.

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income. This guidance improves the comparability, consistency and transparency of financial reporting and increases the prominence of items reported in other comprehensive income. The guidance provided by this update becomes effective for interim and annual periods beginning on or after December 15, 2011 Since this ASU will only change the format of financial statements it is expected that the adoption of this ASU will not have a material effect on a Company's consolidated financial position and results of operations.

Note 3 – Deconsolidation of Danish Operations

On August 31, 2010, the Company ceased activities of its Danish operations and management filed for bankruptcy in its five Danish subsidiaries on September 8, 2010. Effective September 8, 2010, the control in three of the five companies has been transferred to a court administrator and the remaining two Danish companies has been forced closed by the Danish Commerce and Companies Agency as management has resigned and accordingly the Danish subsidiaries have been deconsolidated.

In June 2009, the FASB issued authoritative guidance (which was codified into ASC Topic 810, "Consolidation," with the issuance of ASU No. 2009-17) that requires a primarily qualitative analysis to determine if an enterprise is the primary beneficiary of a variable interest entity. This analysis is based on whether the enterprise has (a) the power to direct the activities of the variable interest entity that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. In addition, enterprises are required to more frequently reassess whether an entity is a variable interest entity and whether the enterprise is the primary beneficiary of the variable interest entity. Finally, the guidance for consolidation or deconsolidation of a variable interest entity is amended and disclosure requirements about an enterprise's involvement with a variable interest entity are enhanced. The Company adopted this guidance as of January 1, 2010 on a prospective basis. As a result, the Danish subsidiaries were deconsolidated as the power to direct the activities completely transferred to the trustees of Copenhagen court. The deconsolidation of these subsidiaries resulted in a decrease in assets and liabilities as of September 9, 2010 of $5,203,000 and $9,042,000 respectively.

As the Company is no longer in control of the Danish subsidiaries the Company has, in accordance with ASC 810, deconsolidated the fair value of assets ($5,203,000) and liabilities ($9,042,000) and recorded a gain on deconsolidation of Danish entities of $3,839,000. The two Danish subsidiaries in which the Company was forced to close had an immaterial amount of assets and liabilities.

The following table summarizes the deconsolidation (dollars in thousands):

Assets		Transferred to Danish Court 2010
Current assets:		
Cash	$	7
Accounts receivable, net		230
Costs and estimated earnings in excess of billings on projects in progress		212
Prepaid expenses and other current assets		21
Total current assets		470
Property, plant and equipment, net of accumulated depreciation		4,683
Deferred financing costs, net of accumulated amortization		50
Total assets	$	5,203

Liabilities		Transferred to Danish Court 2010
Current liabilities:		
Accounts payable	$	1,752
Accrued liabilities		1,023
Billings in excess of costs and estimated earnings on projects in progress		91
Current portion of long-term debt		1,831
Current portion of obligations under capital leases		138
Current portion of debt to redeemed stockholders		117
Total current liabilities		4,952
Long-term debt , net of current portion		4,090
Total liabilities	$	9,042

Note 4 – Acquisition of Tre Kronor Media AB (TKM)

On May 4, 2010, the Company completed the acquisition of all of the issued and outstanding shares of TKM, a Swedish media company.

The Company has determined that the acquisition of TKM was a business combination to be accounted for under the acquisition method. The following table summarizes the consideration transferred and the amounts (dollars in thousands) of identified assets acquired and liabilities assumed at the acquisition date (dollars in thousands.):

Fair value of consideration transferred:		
Stock issuance on the date of acquisition	$	4,175
Estimated fair value of contingent consideration		365
		4,540
Recognized amounts of identifiable assets and liabilities acquired at fair value:		
Cash		963
Accounts receivable		1,074
Work in progress		139
Equipment and deposits		190
Prepaid expenses		148
Account payable		(1,204)
Accrued expenses and other liabilities		(1,310)
Total identifiable net assets		-
Total purchase value	$	4,540

The Company recognized the total purchase as summarized in the following table (dollars in thousands.):

Goodwill (100% deductible for tax purpose)	$	3,710
Intangible assets		830
Liability to related parties (see Note 1)		(387)
Earn out to former shareholders - Tre Kronor		(365)
Equity, issuance of common shares as consideration		(3,788)

Earn out to former shareholders were calculated on a basis of a total consideration of 4,000,000 of the Company's shares of common stock at the fair value of the market closing price per date of acquisition. As the calculated consideration is based on TKM's projected EBT (Earnings Before Tax) in fiscal 2011 and 2012 the fair value per date of acquisition was discounted back to a present value of $365,000 which the Company recorded as a long term liability.

The total common shares issued as part of the consideration paid to TKM were 35,000,000 shares.

The intangible assets is identified and recognized in accordance with Accounting Standards Codification 805 ("ASC 805"), Business Combinations. Based on a discounted cash flow model the fair value of the intangible assets was determined to be $830,000 with useful lives of 5 years (see Note 7).

The results of operations of TKM have been included in the consolidated statements of operations since the completion of the TKM acquisition on May 4, 2010. The following table reflects (dollars in thousands) the unaudited pro forma consolidated results of operations had the TKM acquisition taken place at the beginning of 2010 (dollars in thousands):

		2010
Net revenues	$	11,199
Cost of revenues		(9,504)
Operating expenses		(2,718)
Net loss from continuing operations	$	(1,174)
Net loss	$	(1,021)
Weighted average shares, basic and diluted		395,336,142
Basic and diluted net loss from continuing operations per share	$	(0.00)

Note 5 – Acquisition of Nyheter 365 AB

On December 23, 2011, TKM completed the acquisition of all of the issued and outstanding shares of Nyheter 365, a Swedish advertising company.

The Company has determined that the acquisition of Nyheter 365 was a business combination to be accounted for under the acquisition method. The following table summarizes the consideration transferred and the amounts (dollars in thousands) of identified assets acquired and liabilities assumed at the acquisition date (dollars in thousands.):

Fair value of consideration transferred:		
Stock transfer on the date of acquisition	$	9
		9
Recognized amounts of identifiable assets and liabilities acquired at fair value:		
Cash		29
Accounts receivable		409
Work in progress		-
Equipment and deposits		15
Prepaid expenses		25
Account payable		(168)
Accrued expenses and other liabilities		(310)
Total identifiable net assets		-
Total purchase value	$	9

The Company recognized the total purchase as summarized in the following table (dollars in thousands.):

Goodwill (100% deductible for tax purpose)	$	9
Equity, transfer of common shares from affiliate as consideration		(9)

The former shareholders of Nyheter 365 received a total of 10,000,000 shares of common stock in UCP. Such shares were transferred free of charge from an affiliate to UCP.

During the year 2011, Nyheter 365 had immaterial operating activities.

The results of operations of Nyheter 365 have been included in the consolidated statements of operations since January 1, 2011 The following table reflects (dollars in thousands) the unaudited pro forma consolidated results of operations had the Nyheter 365 acquisition taken place at the beginning of 2010 (dollars in thousands):

		2010
Net revenues	$	11,846
Cost of revenues		(9,815)
Operating expenses		(2,915)
Net loss from continuing operations	$	(1,035)
Net loss	$	(882)
Weighted average shares, basic and diluted		395,336,142
Basic and diluted net loss from continuing operations per share	$	(0.01)

Per assessment of the acquired activities from Nyheter 365, the Company concluded that the acquired activities, on a stand-alone basis, would incur losses in future periods. Thus, goodwill from the acquisition was impaired during the year ended December 31, 2011.

Note 6 – Equity Method Investments

InSight AS -On October 31, 2010, TKM advanced SEK 4,756,550 approximately ($701,000) to acquire a 30% non-controlling financial interest in the Norwegian media company InSight AS, effective January 1, 2011.

The following table represents a summary of the changes in the value of the equity investment in InSight AS (dollars in thousands.)

	December 31, 2011
Beginning balance	$ -
Acquired	701
30% of profit for year ended December 31, 2011	123
Currency adjustment	(21)
Ending balance	$ 803

CCCP Media AB - During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 ($14,583) in which TKM holds a non-controlling interest of 33.3% which is equivalent to SEK 33,333 ($4,861). The investment in CCCP AB is recorded as part of equity method investment in accompanying balance sheet.

The following table represents a summary of the changes in the value of the equity investment in CCCP AB (dollars in thousands.)

	December 31, 2011
Beginning balance	$ -
Acquired	5
33,3% of loss for year ended December 31, 2011	(21)
Currency adjustment	1
Ending balance	$ (15)

Note 7 - Other Intangible Assets

In accordance with Accounting Standards Codification 805 (“ASC 805”), Business Combinations, the Company has identified and recognized trade name and customer relationships in TKM as intangible assets. Based on a discounted cash flow model the fair value of the intangible assets was determined to be $610,000 and $220,000 respectively, both having a useful life of 5 years. For the years ended December 31, 2011 and 2010 intangible assets were amortized by $166,000 and $102,034 respectively. At December 31, 2011and 2010, the net carrying amount of intangible assets related to the acquisition of TKM was $561,966 and $727,966, respectively.

The following table represents the future amortization of intangible assets (dollars in thousands):

2012:	$166
2013:	$166
2014:	$166
2015 (January – May):	$ 64

Note 8 - Concentration of Credit Risk

Credit risk represents the loss that would be recognized if counterparties failed to completely perform as contracted.

During the year ended December 31, 2011 customer AB and AH accounted for approximately 42% and 16% of revenue, respectively. During the year ended December 31, 2010 customer AB, AD and AE accounted for approximately 40%, 14% and 10% of revenue, respectively. No other customers individually represented more than 10% of revenue for any period presented.

As of December 31, 2011 customers AF and AB accounted for approximately 45% and 14% of the Company’s accounts receivables, respectively. As of December 31, 2010 customers AB, AD and AE accounted for approximately 31%, 12% and 10% of the Company’s accounts receivables, respectively. No other customers individually represented more than 10% of accounts receivables at the end of any period presented.

The Company's loss of these or other customers, or any decrease in sales to these or other customers, could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company monitors its exposure to customers to minimize potential credit losses.

The Company maintains cash and cash equivalent balances at several financial institutions throughout its operating area, and at times, may exceed insurance limits and expose the Company to credit risk. As part of its cash management process, the Company periodically reviews the relative credit standing of these financial institutions.

The Company’s cash and cash equivalent balances are maintained at financial institutions located in the United States of America, Sweden and Spain. All cash balances as of December 31, 2011, were held in bank accounts outside the United States of America.

Note 9 - Equipment, net

Equipment net, consist of the following (dollars in thousands):

	As of December 31, 2011	As of December 31, 2010
Equipment at cost	$ 313	$ 227
Accumulated depreciation	(158)	(89)
Loss from disposal of equipment	(14)	-
Equipment, net	$ 141	$ 138

Depreciation expense was $63,703 and $33,584 for the year ended December 31, 2011 and 2010 respectively.

Note 10 - Income Taxes

The Company's income tax provision consists of the following (dollars in thousands):

	December 31, 2011	December 31, 2010
Federal:		
Current	$ -	$ -
Deferred	405	(373)
Local:		
Current	-	-
Deferred	-	-
Foreign:		
Current	28	40
Deferred	(52)	(12)
Change in valuation allowance	(353)	385
Income tax provision	$ 28	$ 40

For the years ended December 31, 2011 and 2010 the expected tax expense (benefit) based on the statutory rate is reconciled with actual tax expense (benefit) as follows:

	2011	2010
U.S. federal statutory rate	(34.00)%	(34.00)%
Foreign tax rate differential	(2.23)%	-
Section 382 impairment	77.64%	-
Other permanent differences	(5.06)%	0.31%
Changes in valuation allowance	(33.69)%	37.51%
Income tax provision (benefit)	2.66%	3.82%

For the years ended December 31, 2011 and 2010, the domestic and foreign components of income (loss) before income taxes from continuing operations are as follows:

	2011	2010
Domestic	$ (900)	$ (1,098)
Foreign	(149)	70
Loss from continuing operations before provision for income taxes	$ (1,049)	$ (1,028)

As of December 31, 2011 and December 31, 2010, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following (dollars in thousands):

	2011	2010
Deferred tax assets:		
Net operating loss carryover	$ 212	$ 679
Accrued compensation	3	6
Derivative liability	8	
Loss from derivative liabilities	-	10
Total deferred tax asset	223	695
Valuation allowance	(215)	(568)
Deferred tax asset, net of valuation allowance	8	127
Deferred tax liabilities:		
Convertible debts	(8)	-
Gain on chance in fair value of contingent considerations	-	(114)
Reserve allocation – Sweden	-	(13)
Total deferred tax liabilities	(8)	(127)
Net deferred tax asset (liability)	$ -	$ -

For the years ended December 31, 2011, and December 31, 2010 the Company had approximately $433,000 and $1,921,000 of U.S. federal net operating loss carryovers ("NOLS") respectively, which expire beginning in 2029 if not utilized. For the years ended December 31, 2011, and December 31, 2010 the Company had approximately and $320,000 and $130,000 of foreign (Spanish) net operating loss carryovers respectively, which can be carried forward indefinitely. If not used, the U.S NOLS may be subject to limitation under Internal Revenue Code Section 382 should there be a greater than 50% ownership change as determined under the regulations. The Company has conducted a preliminary Section 382 analysis and has determined that there was a change of ownership in the last quarter of 2011, and that the Company's NOLS are subject to an annual limitation of $21,674. The gross amount of U.S. NOLS included in the Company's deferred tax asset for pre change NOLS has been reduced by $2,395,644 since these losses will expire unused due to the annual limitation.

The U.S. Corporation and the other foreign entities operate in different countries, including Spain, Sweden and Norway, and are subject to taxation in each separate jurisdiction. Therefore, the Company is required to calculate and provide for income taxes, in each separate jurisdiction on a global basis. The net operating losses of the U.S. Corporation cannot be used to offset the income generated in foreign jurisdictions, if any, and the net operating losses of Abrego Spain cannot be used to offset the income, if any, of any other jurisdiction.

No provision was made for U.S. or foreign taxes on the undistributed earnings of any of the foreign subsidiaries, as such earnings are considered to be permanently reinvested. Such earnings have been, and will continue to be, reinvested, but could become subject to additional tax, if they were remitted as dividends, loaned to the Company, or if the Company should sell its stock in any of the foreign subsidiaries. It is not practicable to determine the amount of additional tax, if any, that might be payable on the undistributed foreign earnings.

The Company maintains valuation allowances where it is more likely than not that all or a portion of its deferred tax asset will not be realized. A change in the Company's valuation allowance is included in the Company's tax provision in the period of change. In determining whether a valuation allowance is warranted, the Company evaluates factors such as prior earnings history, expected future earnings, carry-back and carry-forward periods and tax strategies that could potentially enhance the likelihood of the realization of deferred tax assets. Based on this assessment, management has established a full valuation allowance. For the years ended December 31, 2011 and 2010, the change in valuation allowance was $(353,462) and $385,556, respectively.

Tre Kronor Media AB files tax returns in Sweden which are subject to examination by the local tax authorities for years ended December 31, 2007 through December 31, 2011. Abrego Spain files tax returns in Spain which are subject to examination by the local tax authorities for years ended December 31, 2010 through December 31, 2011. Nyheter 365 AB files tax returns in Sweden which are subject to examination by the local tax authorities for years ended December 31, 2010 through December 31, 2011. United Communications Partners Inc. files federal tax returns in the United States which are subject to examination by federal tax authorities for the years ended December 31, 2008, through December 31, 2011.

Effective January 1, 2007, the Company adopted the FASB's guidance on accounting for uncertainty in income taxes. In accordance with this guidance, interest costs and related penalties related to unrecognized tax benefits are required to be calculated, if applicable. If required, interest would be recorded as interest expense and penalties as general and administrative expense. No interest and penalties were recorded during the years ended December 31, 2011 and December 31, 2010, respectively. As of December 31, 2011 and December 31, 2010, no liability for unrecognized tax benefits was required to be reported. The Company does not expect any significant changes in its unrecognized tax benefits in the next year.

Note 11 - Accrued Liabilities

Accrued liabilities consist of the following (dollars in thousands):

	As of December 31,	
	2011	2010
Value Added Tax	$ 66	$ 214
Professional fees	10	51
Accrued payroll related expenses	362	117
Income tax payable	125	40
Other liabilities	33	15
Total accrued liabilities	$ 596	$ 437

Note 12 – Non controlling Interest in Discontinued Operations

For consolidated majority-owned subsidiaries in which the Company owns less than 100% of the total outstanding shares, the Company recognizes a non-controlling interest for the ownership interest of the holders.

In May 2007, 651 Class B shares in a Danish subsidiary, Bark Advertising were issued to the selling shareholders of Bark Copenhagen at a price of DKK 12,912 ($2,373) per share and 50 Class B shares were sold to two senior employees of the Company at a price of DKK 12,000 ($2,206) per share. In November 2007 Bark Advertising sold 25 Class B shares to one senior employee at a price of DKK 12,000 ($2,206) per share.

In January 2009, two Class B shareholders representing 131 shares were redeemed. The redeemable amount as of December 31, 2009 was DKK 994,356 ($191,587). The redemption of shares was to be paid in 8 quarterly installments, including interest at variable rates (5% at December 31, 2009). On September 8, 2010, the Company is no longer obligated to pay the remaining installments to Class B shareholder as the liabilities were transferred to the Danish Courts upon acceptance of control of the Danish subsidiaries by the Courts. As of September 8, 2010, the redeemable amount was DKK 637,393 ($116,737) (See Note 3)

In November 2009 three additional Class B shareholders representing 75 shares were redeemed for DKK 900,000 ($173,000). The redeemable amount was converted to a total of 2,000,000 shares of common stock in UCP. The conversion held a beneficial conversion feature of $80,000 which was recorded in statement of operations as gain on extinguishment.

On June 1, 2010 the remaining three holders of 520 Series B shares were redeemed. Two of the three holders were affiliates to the Company.

On August 18, 2010 the total redemption value of the 520 Series B shares of DKK 6,753,000 ($1,167,551) was converted to a total of 717,260 shares of common stock in UCP. The Company recognized a total beneficial gain from the conversion of $1,127,385. Gain related to the affiliates was recognized with $943,077 as additional paid in capital, whereas gain related to the non-affiliate of $184,308 was recognized in the Company's income statement as gain on extinguishment of debts.

Note 13 - Derivative Liabilities

The ASC 815, "Determining Whether an Instrument (or Embedded Feature) is indexed to an Entity's Own Stock." Under ASC 815, instruments which do not have fixed settlement provisions are deemed to be derivative instruments. The Company has determined that it needs to account for certain convertible debentures (see Note 11) issued during 2010 and 2011, as derivative liabilities, and apply the provisions of ASC 815. The instruments include a ratchet provision that adjust either the exercise price and/or the quantity of the shares since the conversion price is equal to 55% - 65% of the "market price" as determined at the time of conversion.

In accordance with ASC 815, these convertible debentures have been re-characterized as derivative liabilities. ASC 815, "Accounting for Derivative Instruments and Hedging Activities" ("ASC 815") requires that the fair value of these liabilities be re-measured at the end of every reporting period with the change in fair value reported in the consolidated statement of operations.

Convertible Debentures obtained during 2010

The fair value of the derivative liabilities related to convertible debentures obtained during 2010, were measured using the Black-Scholes option pricing model, which approximates the fair value measured using Binomial Lattice Model, are summarized below (dollars in thousands):

	December 31, 2011	**December 31, 2010**	**Date of issuance**
$80,000 Debenture:			
Discount Rate – Bond Equivalent Yield	-	-	0.39%
Annual rate of dividends	-	-	-
Volatility	-	-	152%
Weighted Average life (months)	-	-	9
$40,000 Debenture:			
Discount Rate – Bond Equivalent Yield	-	0.007%	0.42%
Annual rate of dividends	-	-	-
Volatility	-	160%	160%
Weighted Average life (months)	-	1	9
$37,500 Debenture:			
Discount Rate – Bond Equivalent Yield	-	0.007%	0.43%
Annual rate of dividends	-	-	-
Volatility	-	161%	160%
Weighted Average life (months)	-	2	9
$50,000 Debenture:			

Discount Rate – Bond Equivalent Yield		-		0.12%		0.37%
Annual rate of dividends		-		-		-
Volatility		-		162%		161%
Weighted Average life (months)		-		2		9
Fair Value	$	-	$	185	$	155

On the date of issuance the derivative liabilities associated with the debentures were $155,163. During the first quarter of 2011, the convertible debentures matured and were converted into shares of common stock. On the date of maturities, the change in fair valuation of derivative liabilities aggregated approximately $96,000 and was recorded as a gain on change in fair value of derivative liabilities in the Company's consolidated statement of operations for the year ended December 31, 2011. The remaining balance of derivative liabilities of $89,000 was reclassified into equity on the conversion date.

Convertible Debentures obtained 2011

The fair value of the derivative liabilities related to convertible debentures obtained in 2011 was measured using the Black-Scholes option pricing model, which approximates the fair value measured using Binomial Lattice Model, and the following assumptions (dollars in thousands):

		December 31, 2011		**Date of issuance**
$40,000 Debenture issued May 6, 2011:				
Discount Rate – Bond Equivalent Yield		0.01%		0.18%
Annual rate of dividends		-		-
Volatility		478%		250%
Weighted Average life (months)		1		9
$40,000 Debenture issued August 4, 2011:				
Discount Rate – Bond Equivalent Yield		0.02%		0.12%
Annual rate of dividends		-		-
Volatility		386%		249%
Weighted Average life (months)		3		9
Fair value	$	78	$	115

The discount rate was based on rates established by the Federal Reserve. The Company based expected volatility on the historical volatility for its common stock. The expected life of the debentures was based on their full term. The expected dividend yield was based upon the fact that the Company has not historically paid dividends, and does not expect to pay dividends in the future.

On the date of issuance the derivative liabilities associated with the debentures was $114,733. At December 31, 2011, the derivative liability associated with the debenture was revalued to $77,773. The decrease in the derivative liability during the year ended December 31, 2011, is included as a gain on change in fair value of derivative liabilities in the Company's consolidated statement of operations for the year ended December 31, 2011, with $36,960.

Note 14 - Fair Value Measurement

Valuation Hierarchy

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following tables represent the assets and liabilities carried at fair value (dollars in thousands) measured on a recurring and non-recurring basis as of December 31, 2011and 2010:

		Fair Value Measurements at December 31, 2011		
	Total Carrying Value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative liabilities	$ 78	$ -	$ -	$ 78
Contingent Consideration	$ 2	$ -	$ -	$ 2
Goodwill	$ 3,710	$ -	$ -	$ 3,710

		Fair Value Measurements at December 31, 2010		
	Total Carrying Value at December 31, 2010	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative liabilities	$ 185	$ -	$ -	$ 185
Contingent Consideration	$ 30	$ -	$ -	$ 30
Goodwill	$ 3,710	$ -	$ -	$ 3,710

The derivative liabilities are measured at fair value using quoted market prices and estimated volatility factors based on historical quoted market prices for the Company's common stock, and are classified within Level 3 of the valuation hierarchy.

The contingent consideration is measured at fair value using quoted market prices of Company's shares of common stock.

Goodwill is measured at fair value on a non-recurring basis using discounted cash flows and is classified within level 3 of the value hierarchy.

The following table represents a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis (dollars in thousands):

	2011	**2010**
Beginning balance – Derivative liabilities	$ 185	-
Derivative liabilities recorded	115	155
Reclassified to equity	(89)	
Net unrealized loss (gain) on change in fair value of derivative liabilities	(133)	30
Ending balance – Derivative liabilities	$ 78	185

	2011	2010
Beginning balance – Contingent consideration	$ 30	$ -
Recorded contingent consideration	-	365
Net unrealized gain on change in fair value of contingent consideration	(28)	(335)
Ending balance – Contingent consideration	$ 2	$ 30

The following table represents a summary of the changes in the fair value of goodwill that is measured at fair value on a non-recurring basis (dollars in thousands.)

	2011	2010
Beginning balance	$ 3,710	$ 3,289
Acquired	9	3,710
Impaired	(9)	(2,812)
Currency adjustment	-	(477)
Ending balance	$ 3,710	$ 3,710

During the year ended December 31, 2011, the Company has impaired the goodwill related to the acquisition of Nyheter 365 AB. During the year ended December 31, 2010, the Company has impaired the goodwill related to the Danish subsidiaries and is included in discontinued operations in the accompanying consolidated statement of operations.

Note 15 – Notes Payable

Notes payable consist of the following (dollars in thousands):

Loan reference	Maturity Date	As of December 31, 2011	As of December 31, 2010
Private investor (A)	2010	$ 22	$ 22
Private investor (B)	2010	-	9
Private investor (C)	2011	236	250
Private investor (D)	2011	-	40
Private investor (E)	2011	-	36
Private investor (F)	2011	-	46
Private investor (G)	2010	219	247
Private investor (H)	2012	37	-
Private investor (I)	2012	23	-
Promissory notes	January 2009	36	36
Total		573	686
Less: Current portion		504	686
Long-term portion of debt		$ 69	$ -

The Company obtained a short term loan from a private investor in the amount of DKK 1,000,000 ($179,953) on March 4, 2010, in order to fund working capital until additional capital could be raised. The loan matured on June 30, 2010, together with accrued interest of DKK 200,000 ($37,970). On June 25, 2010, and on

September 23, 2010, the loan, which was not called on its maturity date, was partially paid in cash of $184,975 and $10,700 respectively. As at December 31, 2011 and 2010, the amount outstanding including accrued interest was $22,248 (see A above)

On March 10, 2010, the Company obtained a Convertible Debenture totaling $80,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. During the period October 27 – December 23, 2010, the investor converted a total of $74,000 into 9,759,025 shares of common stock. At December 31, 2010, the amount outstanding was $9,200 including interest of $3,200. On January 3, 2011, the outstanding balance was converted into 1,877,551 shares of common stock. (See B above and Note 18)

On March 15, 2010 the Company obtained a loan from a private investor of $250,000. The loan bears an interest of 6% per annum and is due one year from date of issue. If the Company choose not to repay the loan in cash the holder of the note is entitled to convert the note into shares of common stock at a price equal to 85% of the market price of the Company’s common stock at the time of conversion. On December 7, 2011, the Company agreed with the investor to repay the principal amount of $250,000 in 18 monthly installments of $13,889 beginning December 12, 2011. The investor agreed to disregard all interest payments provided that monthly installments will be made timely. As at December 31, 2011 and 2010, the outstanding balance was $236,111 and $250,000, respectively. (See C above).

On April 20, 2010, the Company obtained a Convertible Debenture totaling $40,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 55% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.06 resulting in a deferred debt discount of $29,702 which will be recorded as interest expenses ratably over the loans maturity. As at December 31, 2010, the amount outstanding including accrued interest, net of deferred discount was $40,022. (See D above). During the first quarter of 2011 the loan was converted into 10,680,436 shares of common stock. (See Note 18)

On May 4, 2010, the Company obtained a Convertible Debenture totaling $37,500. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.07 resulting in a deferred debt discount of $25,286 which will be recorded as interest expenses ratably over the loans maturity. As at December 31, 2010, the amount outstanding including accrued interest, net of deferred discount was $36,282. (See E above). During the first quarter of 2011 the loan was partly converted ($15,000) into 3,480,372 shares of common stock. On June 10, 2011, the remaining balance of $24,000 including accrued interest was converted into 6,313,844 shares of common stock. (See Note 18)

On May 27, 2010, the Company obtained a Convertible Debenture totaling $50,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.05 resulting in a deferred debt discount of $29,142 which will be recorded as interest expenses ratably over the loans maturity. As at December 31, 2010, the amount outstanding including accrued interest, net of deferred discount was $46,215. (See F above). During the third quarter of 2011 the lender converted $20,000 into 15,000,000 shares of common stock. During the fourth quarter of 2011 the lender converted the remaining balance of $30,000 into 76,648,841 shares of common stock. (See Note 18)

On June 25, 2010, The Company obtained a short term loan from a private investor in the amount of DKK 1,000,000 ($165,166) in order to fund working capital until additional capital could be raised. The loan matured on September 30, 2010, together with accrued interest of DKK 250,000 ($41,292). The loan agreement includes an option to convert the loan including interest into shares of common stock at a price of $0.06. As at December 31, 2010, the amount outstanding including accrued interest was $246,749. On August 10, 2011 the Company agreed with the investor to pay an additional interest of DKK 100,000 ($16,436). On December 13, 2011, the Company agreed to repay the loan in seven installments whereas installment number one of DKK 250,000 ($42,500) was paid December 16, 2011. The remaining six installments, each of DKK 200,000, will be paid monthly beginning January 10, 2012. As of December 31, 2011, the Company had $181,147 in principal due and $37,547 in accrued interest, aggregating $218,694. (See G above)

On May 6, 2011 the Company obtained a Convertible Debenture totaling $40,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.0048 resulting in a deferred debt discount of $62,572 per date of issuance. Per date of issuance the Company recorded $22,572 of the deferred debt discount as interest expense. The remaining deferred debt discount of $40,000 will be recorded as interest expenses ratably over the loans maturity. For the year ended December 31, 2011, the Company expensed a total of $57,239 of the deferred debt discount. As of December 31, 2011, the amount outstanding including accrued interest, net of deferred discount was $36,747 (See H above). On January 3, 2012 and January 17, 2012, the lender converted a total of $22,000 into 91,582,492 shares of common stock. On January 18, 2012, the remaining balance of the loan was repaid in cash. (See Note 22)

On August 4, 2011 the Company obtained a Convertible Debenture totaling $40,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.0031 resulting in a deferred debt discount of $52,160 per date of issuance. Per date of issuance the Company recorded $12,160 of the deferred debt discount as interest expense. The remaining deferred debt discount of $40,000 will be recorded as interest expenses ratably over the loans maturity. For the year ended December 31, 2011, the Company expensed a total of $33,642 of the deferred debt discount. As of December 31, 2011, the amount outstanding including accrued interest, net of deferred discount was $22,770 (See I above). On January 18, 2012, the remaining balance of the loan was repaid in cash. (See Note 22)

Note 16 – Line of Credit

The Company has a floating rate line of credit facility with Nordea Bank in the amount of $722,189. As of December 31, 2011, the amount outstanding, under this line of credit facility, was $-(nil). The rate of interest payable under the line of credit facility is presently 6.95 % per annum.

Note 17 – Commitments and Contingencies

The Company is committed under an operating lease for office space which expires in 2014. Rental commitment on lease for reporting periods subsequent to December 31, 2011 is as follows (dollars in thousands):

Future commitments as of December 31, 2011	
2012	$ 243
2013	243
2014	243
	$ 729

Rent and related expenses charged to operations was approximately $255,000 and $74,300 for the years ended December 2011 and 2010, respectively.

Note 18 - Capital Stock

The share capital of United Communications Partners Inc. consists of 2,000,000,000 shares of common stock (authorized) with a par value of $0.001 per share, and 100,000,000 shares of preferred stock, with a par value of $0.001 per share. As of December 31, 2011, no preferred shares had been issued. The board has the ability to set the terms for issuance of the preferred shares.

Each common share entitles the holder to one vote; no shares enjoy special rights.

a) In the period from January 3 – March 17, 2011, the Company converted outstanding loan of $65,800 into 16,038,359 shares of common stock.

b) On January 4, 2011, the Company issued 258,000 shares of common stock to a consultant for services rendered in the firtst quarter of 2011. The market value of the shares issued, on the date of signing the agreement, was $17,200 and the costs were amortized over the term of the contract.

c) Pursuant to an investment agreement entered into on April 26, 2010, made in conjunction with the investor's cash investment of $89,500 the Company issued 3,322,260 shares of common stock on January 12, 2011.

d) On March 7, 2011, the Company issued 9,337,000 shares of common stock for proceeds totaling $79,365.

e) In the period from April 15 – June 6, 2011, the Company converted outstanding loan of $24,000 into 6,313,844 shares of common stock.

f) In the period from August 19 – September 12, 2011, the Company converted outstanding loan of $20,000 into 15,000,000 shares of common stock.

g) Pursuant to an investment agreement entered into on November 3, 2010, made in conjunction with the investor's cash investment of $365,000 the Company issued 18,656,716 shares of common stock on October 26, 2011.

h) On November 8, 2011 the Company issued a total of 934,578,440 shares of common stock to former shareholders of Tre Kronor Media AB in conjunction with Amendment no 2 to the Share Purchase Agreement regarding the Company's acquisition of all issued and outstanding shares of Tre Kronor Media AB. (See Note 1.)

i) In the period from November 7 – December 19, 2011, the Company converted outstanding loan of $30,000 into 76,648,841shares of common stock.

j) On January 6, 2010 the Company issued 386,847 shares of common stock for proceeds totaling $48,356.

k) On January 15, 2010, the Company converted outstanding loan of DKK 320,000 ($61,431) into 400,000 new issued shares of common stock (See Note 13).

l) On February 15, 2010, the Company issued 1,656,660 shares of common stock for proceeds totaling approximately, $246,000. Total stock issuance costs were approximately $170,000.

m) As consideration for the Company's acquisition of a 51% interest in Anaconda.tv GmbH the Company issued a total of 14,000,000 shares of common stock. On August 25, 2010 the Company entered into an agreement in which the Company's interest in Anaconda.tv GmbH were re-conveyed against the surrender of the 14,000,000 shares of common stock (See Note 1.)

n) In March 2010 the company issued 800,000 shares of common stock to four consultants for services rendered during 2010 and 2011. The market value of the shares issued, on the date of signing the agreements, were $119,040 and the costs are being amortized over the term of the contracts. (See Note 18)

o) On April 1, 2010 the Company issued 1,788,909 shares of common stock for proceeds totaling approximately $89,500. Total stock issuance costs were approximately $9,000.

p) On April 22, 2010 the Company issued a total of 35,000,000 shares of common stock to the former shareholders of Tre Kronor Media AB as consideration for the Company's acquisition of all issued and outstanding shares of Tre Kronor Media AB.

q) On May 25, 2010 the Company converted notes payables at a value of $32,880 into 548,000 shares of common stock.

r) On July 21, 2010 the Company issued 2,122,641 shares of common stock for proceeds totaling approximately $90,000.

s) On August 18, 2010, three minority class B shareholders in Bark Advertising A/S converted their non-controlling interest of DKK 6,753,000 ($1,167,551) into 717,260 shares of common stock of the Company. As discussed further in Note 10, the Company recorded a gain on extinguishment of Class B shares totaling $184,308.

t) On September 9, 2010, the Company converted outstanding loan of DKK 1,200,000 ($223,970) into 4,000,000 new issued shares of common stock.

u) On October 1, 2010 the company issued 450,000 shares of common stock a consultant for services rendered during 2010. The market value of the shares issued, on the date of signing the agreements, was $30,000 and fully recognized as consulting expenses in year 2010.

v) On November 3, 2010, the Company issued 26,156,716 shares of common stock for proceeds totaling approximately $440,000.

x) On November 10, 2010, the Company issued 4,000,000 shares of common stock for proceeds totaling approximately $94,000.

y) In the period from October 27 – December 23, the Company converted outstanding loan of $74,000 into 9,759,025 shares of common stock.

19 – Non Vested Shares

A summary of the status of the Company's non-vested shares as of December 31, 2011 and 2010, and changes during the years ended December 31, 2011 and 2010 is presented below:

	Number of Shares	Weighted-Average Grant-Date Fair Value USD per share
Non vested Shares at January 1, 2010	7,778,720	$ .10
Granted		-
Vested	(7,778,720)	(.10)
Forfeited	-	-
Non vested Shares at December 31, 2010	-	$ -
Granted	-	-
Vested	-	-
Forfeited	-	-
Non vested Shares at December 31, 2011	-	$ -

In September 2007, the Company issued 7,778,720 non-vested share awards to two executives of the Company having a stated value of DKK 330,000 ($65,100). The fair value of the non-vested share awards on the date of issuance was DKK 3,939,000 ($777,000). The non-vested awards became fully vested on May 31, 2010. The Company records compensation expense ratably over the vesting period. During 2010 the Company recorded $238,937 of compensation expense, related to these awards.

Note 20 – Stock Based Compensation

In the first quarter of 2011 and during the years 2010 and 2009, the company issued 258,000, 1,250,000 and 3,000,000 shares of common stock respectively to eight consultants for services rendered during the periods from 2009 through 2012. The total market value of the shares, on the date of signing the agreements, was $653,740. During the year ended December 31, 2011 and 2010, the Company expensed $127,884 and $222,523 respectively. The Company will record compensation expense ratably over the remaining service period.

As of December 31, 2011, there was $23,021 of total unrecognized compensation costs related to the issuance. The remaining cost is expected to be recognized ratably during the first quarter of 2012.

Note 21 - Related Party Transactions

Fee to former Chairman and Secretary of the Board

During the year ended December 31, 2011, former chairman and secretary of the Company, through a company controlled by the former chairman, received a fee of $65,455, which has been classified as a component of selling, general and administrative expenses. Further, the Company reimbursed former chairman’s travel and administrative expenses. Such expenses amounted to $19,948 during the year ended December 31, 2011, and was classified as a component of selling, general and administrative expenses. In November 2011 the Company recognized that former chairman was entitled to receive a fee for services rendered during 2008, 2009 and 2010 at a total amount of $188,346 which was classified as a component of selling, general and administrative expenses in the year ended December 31, 2011. At December 31, 2011 and December 31, 2010, former chairman has a receivable of $169,571 and $- respectively which has been classified in advances from related parties.

Former Director of the Board

During the year ended December 31, 2010, one of the former director of the Board provided the Company a cash loan of $24,800. Further he was entitled to a reimbursement of expenses of $12,513 during the year ended December 31, 2010. The expense’s was classified as a component of selling, general and administrative expenses. At December 31, 2011, and December 31, 2010, the former director has a receivable of $- and $11,580 respectively which has been classified in advances from related parties.

Former Chairman of the Board

During the year ended December 31, 2010, former chairman of the Board made payments of $24,034 to creditors on behalf of the Company. Further he is entitled to have his travel and administrative expenses reimbursed. During the year ended December 31, 2011, former chairman's expenses amounted to $19,187 and was classified as a component of selling, general and administrative expenses. Former chairman's expenses were partly reimbursed during the third quarter of 2011. At December 31, 2011 and December 31, 2010, former chairman has a receivable of $9,145 and $41,815 respectively which has been classified in advances from related parties.

Director of the Board, CEO of Albrego Spain

During the fourth quarter of 2010, director of the Board and chief executive officer of Albergo, Spain did not receive his full salary as he agreed to postpone the payment of EURO 20,775 ($27,589) which was classified as a component of selling, general and administrative expenses. Thus, he has a receivable of EURO 20,775 ($27,589) at December 31, 2010. The receivable was paid to director of the Board during January 2011.

President and Chairman of the Board, CEO of Tre Kronor

According to the Share Purchase Agreement with the former shareholders of Tre Kronor, the Company is committed to pay an aggregate amount of SEK 3,000,000 ($387,000) to the president and chairman of the Board against redemption of a portion of his shares. The Company has agreed to extend the redemption of the share portion to December 31, 2013. During the year ended December 31, 2010 the Company advanced a payment of $387,000 to him. Such advance has been classified as a component of the Company's Stockholders Equity as Notes Receivable From Affiliate.

Acquisition of Anaconda – re convey

On June 15, 2010 and on August 25, 2010, we entered into agreements with a 10% shareholder of the Company and a private company controlled by him and another 10% shareholder of the Company, in respect of the ownership of Anaconda.tv GmbH, whereby UCP agreed to re-convey to them a total of 51% interest in Anaconda that was acquired by the Company on March 31, 2010. As consideration for the re-conveyance, they agreed to surrender 14,000,000 shares of the common stock of the Company issued to them originally in connection with the Company's acquisition of an interest in Anaconda. During 2011 one of the shareholders surrendered 7,000,000 shares of common stock.

Note 22 - Subsequent Events

On January 3 and January 17, 2012, the Company converted convertible debentures issued in year 2011 of $22,000 into 91,582,492 shares of common stock.

On January 18, 2012, the Company repaid, remaining balance of convertible debentures of $58,000 issued in year 2011.

On March 12, 2012, the Company voluntarily filed a Form 15 with the Securities and Exchange Commission to terminate the registration of its common stock and suspend its reporting obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company is eligible to terminate its registration by filing a Form 15 because it has fewer than 300 common stock shareholders of record at the beginning of its fiscal year.

Management has evaluated subsequent events to determine if events or transactions occurring through April 30, 2012, the date of these financial statements were available to be issued, require potential adjustments to or disclosure in the consolidated financial statements and has concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.