

Company Registration Number: 3913139

**ODYSSEY VENTURE PARTNERS LIMITED**

**Directors' Report and Financial Statements**  
for the period from incorporation (20 January 2000)  
to 30 June 2001



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COMPANIES HOUSE

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19/02/02

# ODYSSEY VENTURE PARTNERS LIMITED

## DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the period from 20 January 2000 to 30 June 2001.

### Principal Activities, Review of the Business and Future Developments

The Company was incorporated on 20 January 2000 as Pacific New Media Limited. On 23 May 2000 the Company changed its name to Odyssey Venture Partners Limited.

The principal activity of the Company is of an investment holding company. The directors intend to continue this activity for the foreseeable future.

### Results and Dividend

The results for the period are detailed on page 4. The Company achieved a loss on ordinary activities before taxation of £331,421.

The directors do not propose to pay a dividend. The retained loss for the period is £254,419, which has been transferred to reserves.

### Directors and their interests

The directors holding office during the period were as follows:

	Date of Appointment	Date of Resignation
SA Holder	20 January 2000	
MC Johnson	20 January 2000	26 July 2001
JL Beckwith	31 July 2000	
R Silvester	31 July 2000	
A C C Collett	18 January 2002	

SA Holder is Company Secretary.

None of the directors held any beneficial interests in the shares of the Company at 30 June 2001 or at any time during the period. The interests of JL Beckwith in the shares of the parent company, Pacific Investments PLC, are disclosed in the accounts of that company.

### Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- Confirm that suitable accounting policies have been used and applied consistently
- Confirm that reasonable and prudent judgements have been made in preparing the financial statements for the period ended 30 June 2001 and that applicable accounting policies have been followed.
- Prepare financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ODYSSEY VENTURE PARTNERS LIMITED

DIRECTORS' REPORT (continued)

Auditors

On 17 September 2001 PricewaterhouseCoopers were appointed as auditors of the Company to fill a casual vacancy. A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board



SA Holder

124 Sloane Street  
London  
SW1X 9BW

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**  
**OF**  
**ODYSSEY VENTURE PARTNERS LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 June 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
London

30 January 2002

**Odyssey Venture Partners Limited**

**Profit and Loss Account  
for the period ended 30 June 2001**

	Note	Period from 20 January 2000 to 30 June 2001 £
Net operating expenses	3	(63,237)
<b>Operating loss</b>	2	<u>(63,237)</u>
Profit on sale of investments		144,867
Interest receivable and similar income	5	296,779
Amounts written off investments	8	(75,696)
Interest payable and similar charges	6	(634,134)
<b>Loss on ordinary activities before taxation</b>		<u>(331,421)</u>
Taxation	7	77,002
<b>Loss on ordinary activities after taxation</b>		<u>(254,419)</u>
<b>Retained loss for the period</b>	13	<u><u>(254,419)</u></u>

There is no difference between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

The operating loss derives wholly from continuing operations.

There are no recognised gains or losses other than the loss for the period as shown above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 10 form an integral part of these accounts.

Odyssey Venture Partners Limited

Balance Sheet  
as at 30 June 2001

	Note	30 June 2001 £
<b>FIXED ASSETS</b>		
Investments	8	9,798,052
<b>CURRENT ASSETS</b>		
Debtors	9	127,002
Cash at bank and in hand		<u>41,968</u>
		168,970
<b>CREDITORS: amounts falling due within one year</b>	10	(396,562)
<b>NET CURRENT LIABILITIES</b>		<u>(227,592)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,570,460
<b>CREDITORS: amounts falling due after one year</b>	11	(9,824,877)
<b>NET LIABILITIES</b>		<u>(254,417)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	12	2
Profit and loss account	13	(254,419)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>(254,417)</u>

The accounts were approved by the  
Board of Directors on 30<sup>th</sup> January 2002  
and signed on their behalf by



S A Holder  
Director

The notes on pages 6 to 10 form an integral part of these accounts.

## **Odyssey Venture Partners Limited**

### **Notes to the Accounts for the period ended 30 June 2001**

#### **1 Principal Accounting Policies**

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below:

##### **Exemption from consolidation of subsidiaries, associates and joint ventures**

The Company is a 100% subsidiary of Pacific Investments PLC, which is incorporated in England and Wales. The results of the Company, its subsidiary and associates are included in the consolidated financial statements of Pacific Investments PLC, which are publicly available. Consequently, the Company has taken advantage of an exemption from preparing consolidated financial statements under Section 228 of the Companies Act 1985.

##### **Investments**

Investments are valued at cost, less provision for permanent diminution in value.

##### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the financial year end rates and any differences arising on consolidation are taken to the profit and loss account.

##### **Cash Flow Statement**

The Company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as it is included within the consolidated financial statements of Pacific Investments PLC.

##### **Going Concern**

The accounts have been prepared on a going concern basis which assumes the continued support of the parent company and group undertakings. The directors have received a letter from the parent confirming their support for a period of at least one year from the date of approval of the financial statements.

#### **2 Operating loss**

The operating loss is stated after charging:

	2001 £
Auditor's remuneration	
- Audit services	<u>3,000</u>

Odyssey Venture Partners Limited

Notes to the Accounts (continued)  
for the period ended 30 June 2001

3 Net operating expenses

Net operating expenses are analysed as follows:

	2001 £
Administrative expenses	132,237
Other operating income	(69,000)
	<u>63,237</u>

4 Staff Costs

	2001 £
Wages and salaries	60,000
Social security costs	6,829
	<u>66,829</u>

The average monthly number of employees during the period, including executive directors, was 3, in an administrative capacity.

No director received any remuneration with respect of their services to the Company.

5 Interest receivable

	2001 £
Bank interest receivable	410
Amounts receivable from associate	296,369
	<u>296,779</u>

6 Interest payable

	2001 £
Bank loans	310,217
Amounts owed to group undertakings	323,917
	<u>634,134</u>

7 Taxation

	2001 £
Group relief	77,002
	<u>77,002</u>

# Odyssey Venture Partners Limited

## Notes to the Accounts (continued) for the period ended 30 June 2001

### 8 Fixed asset investments

	2001 £
<b>Cost</b>	
At 20 January 2000	-
Additions	
Investment in subsidiary undertaking	3,400
Investment in associates	9,056,599
Other fixed asset investments	884,623
less: disposals of other fixed asset investments	(70,874)
<b>At 30 June 2001</b>	<b>9,873,748</b>
Provision against other fixed asset investments	(75,696)
<b>Net book value at 30 June 2001</b>	<b>9,798,052</b>

The Company has one subsidiary, details of which are as follows:

Name of undertaking	% share held	% voting	Holding	Nature of business	Place of Incorporation
Odyssey New Media Limited	100%	100%	Ordinary	Holding company	England and Wales

### 8a Investment in associates

The Company has three associates, details of which are as follows:

Name of undertaking	% share held	% voting rights	Holding	Nature of business	Place of Incorporation
ImageState PLC	27%	27%	Ordinary	New Media content and rights development	England and Wales
Image Venture Holdings Limited	50%	50%	Ordinary	Investment company	England and Wales
Simply Television Limited	50%	50%	Ordinary & Preference	Holding company	England and Wales

ImageState PLC is quoted on the Alternative Investment Market. The market value of the investment in ImageState PLC at 30 June 2001 was £4.565 million.

The Company owns 50% of the issued share capital of Image Venture Holdings Limited, an investment company.

The Company owns 50% of the issued share capital of Simply Television Limited, which, at the balance sheet date, owned 83% of Simply Shopping TV Limited, a digital broadcasting channel.

**Odyssey Venture Partners Limited**

**Notes to the Accounts (continued)  
for the period ended 30 June 2001**

**9 Debtors**

	2001 £
Amounts due from group undertakings	87,002
Other debtors	40,000
	<u>127,002</u>

**10 Creditors: amounts falling due within one year**

	2001 £
Amounts due to holding company	285,736
Amounts due to group undertakings	14,600
Accruals and deferred income	96,226
	<u>396,562</u>

**11 Creditors: amounts falling due after one year**

	2001 £
Bank loans	5,440,006
Amounts due to holding company	3,623,871
Amounts due to group undertakings	761,000
	<u>9,824,877</u>

The Company's bank loans are denominated in Sterling and US Dollars and are provided by the committed bank facility from the Bank of Scotland described in note 17 and are cross guaranteed by various Pacific Investments PLC subsidiaries. The loans are repayable within one to two years.

**12 Share Capital**

At 30 June 2001, the authorised and issued share capital of the Company comprised:

	Authorised		Allotted and fully paid up	
	Number	£	Number	£
Ordinary shares of £1 each	1,000	1,000	2	2
	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>2</u>

## Odyssey Venture Partners Limited

### Notes to the Accounts (continued) for the period ended 30 June 2001

#### 13 Profit and Loss Account

	£
Retained loss for the period	(254,419)
Balance as at 30 June 2001	<u>(254,419)</u>

#### 14 Reconciliation of movement in shareholders' deficit

	2001 £
Ordinary share capital subscribed	2
Retained loss for the period	(254,419)
Shareholders' deficit at 30 June 2001	<u>(254,417)</u>

#### 15 Ultimate Parent Company and Controlling Party

The Company's immediate and ultimate holding company is Pacific Investments PLC, a company registered in England and Wales, which is the smallest and largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the Company Secretary at 124 Sloane Street, London, SW1X 9BW.

The directors consider the ultimate controlling party to be JL Beckwith, a director and majority shareholder of the holding company.

#### 16 Related Parties

During the period, £69,000 was invoiced to Simply Shopping TV Limited (a subsidiary of Simply Television Limited) with respect of consultancy services supplied by J Hodges, an employee of the Company. At the balance sheet date, a balance of £10,000 was owed to the Company from Simply Shopping TV Limited.

Upon the flotation of Convergence Holdings PLC in February 2000, 400,000 shares in that company were allotted to Mrs. HM Beckwith, the wife of JL Beckwith, a director and the ultimate controlling party of the Company. Consideration of £40,000 remains owing to the Company from Mrs. Beckwith.

During the period, the Company made a loan of £4.5 million to ImageState PLC. The loan was repaid in full in the period.

The Company has taken advantage of the exemption under FRS 8 not to disclose any transactions with other group companies where more than 90% of the voting rights are controlled within the group and consolidated financial statements of the group are publicly available.

#### 17 Guarantees

On 14 March 2001, the Company entered into a corporate cross-guarantee and debenture in favour of the Bank of Scotland in respect of borrowings incurred by the Company and other named subsidiaries of Pacific Investments PLC under an agreement of the same date extending an earlier £36 million facility dated 22 February 1999 to a total facility of £48.5 million. On 30 October 2001, the facility was again amended to extend the facility to £49 million and include additional named group companies.

Company Registration Number: 03977450

**ODYSSEY NEW MEDIA LIMITED**

**Directors' Report and Financial Statements**  
for the period from incorporation (10 April 2000)  
to 30 June 2001

# ODYSSEY NEW MEDIA LIMITED

## DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the period from 10 April 2000 to 30 June 2001.

### Principal Activities, Review of the Business and Future Developments

The Company was incorporated on 10 April 2000 as Law 2149 Ltd.

On 3 July 2000, the Company changed its name to Odyssey New Media Limited

The principal activity of the Company is of an investment holding company. The directors intend to continue this activity for the foreseeable future.

### Results and Dividend

The results for the period are detailed on page 4. The Company made a loss on ordinary activities before taxation of £901,441.

The directors do not propose to pay a dividend. The retained loss for the period is £856,030, which has been transferred to reserves.

### Directors and their interests

The directors holding office during the period were as follows:

	Date of Appointment	Date of Resignation
MC Johnson	10 April 2000	26 July 2001
JA Hodges	10 April 2000	11 April 2001
R Silvester	03 July 2000	
J L Beckwith	31 July 2000	
SA Holder	11 April 2001	

SA Holder was appointed as Company Secretary on 10 April 2000.

The interests of J L Beckwith in the shares of the parent company, Pacific Investments PLC, are disclosed in the accounts of that company.

None of the directors held any beneficial interests in the shares of the Company at 30 June 2001.

### Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- Confirm that suitable accounting policies have been used and applied consistently
- Confirm that reasonable and prudent judgements have been made in preparing the financial statements for the period ended 30 June 2001 and that applicable accounting policies have been followed.
- Prepare financial statements on a going concern basis.

## ODYSSEY NEW MEDIA LIMITED

### DIRECTORS' REPORT (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

On 11 September 2001 PricewaterhouseCoopers were appointed as auditors of the Company to fill a casual vacancy. A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board



SA Holder

124 Sloane Street  
London  
SW1X 9BW

## AUDITOR'S REPORT TO THE MEMBERS

OF

### ODYSSEY NEW MEDIA LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

#### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 June 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
London

30 January 2002

**Odyssey New Media Limited**

**Profit and Loss Account  
for the period ended 30 June 2001**

	Notes	Period from 10 April 2000 to 30 June 2001 £
Administrative expenses		(86,426)
<b>Operating loss</b>	2	<u>(86,426)</u>
Amounts written off investments	6	(750,015)
Interest payable	4	(65,000)
<b>Loss on ordinary activities before taxation</b>		<u>(901,441)</u>
Taxation	5	45,411
<b>Loss on ordinary activities after taxation</b>		<u>(856,030)</u>
<b>Retained Loss for the period</b>	12	<u><u>(856,030)</u></u>

There is no difference between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

The operating loss derives wholly from continuing operations.

There are no recognised gains or losses other than the loss for the period as shown above. Therefore, no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 10 form an integral part of these accounts.

Odyssey New Media Limited

Balance Sheet  
as at 30 June 2001

	Notes	30 June 2001 £
<b>FIXED ASSETS</b>		
Investments	6	-
		-
<b>CURRENT ASSETS</b>		
Debtors	7	48,811
<b>CREDITORS: amounts falling due within one year</b>	8	(86,426)
<b>NET CURRENT LIABILITIES</b>		(37,615)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(37,615)
<b>CREDITORS: amounts falling due after one year</b>	9	(815,015)
<b>NET LIABILITIES</b>		(852,630)
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	430
Share premium	11	2,970
Profit and loss account	12	(856,030)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	13	(852,630)

The accounts were approved by the  
Board of Directors on 30<sup>th</sup> January 2002  
and signed on its behalf by



S A Holder

The notes on pages 6 to 10 form an integral part of these accounts.

**Notes to the Accounts**  
**for the period ended 30 June 2001**

**1 Accounting Policies**

Basis of accounting - The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Investments - Investments are valued at cost, less provision for permanent diminution in value.

Cash Flow Statement - The Company is exempt from the requirement to publish a cash flow statement as it is included within the consolidated financial statements of Pacific Investments PLC, and 90% of the voting rights are controlled within the group.

Going Concern - The accounts have been prepared on a going concern basis which assumes the continued support of the parent company. The directors have received a confirmation from the parent company confirming their support for a period of at least one year from the date of approval of the financial statements.

**2 Operating loss**

The operating loss is stated after charging:

	Period from 10 April 2000 to 30 June 2001 £
Auditors' remuneration - Audit services	1,000

**3 Staff Costs**

	Period from 10 April 2000 to 30 June 2001 £
Wages and salaries	16,696
Social security costs	489
	<hr/> 17,186 <hr/>

The average monthly number of employees, including directors, during the period was 5, in an administrative capacity.

Odyssey New Media Limited

Notes to the Accounts (continued)  
for the period ended 30 June 2001

3 Staff Costs (continued)

Directors' remuneration, included within the staff costs above:

Period from  
10 April 2000  
to 30 June 2001  
£

Aggregate emoluments

17,186

4 Interest payable

Period from  
10 April 2000  
to 30 June 2001  
£

Interest payable to group companies

65,000

65,000

5 Taxation

Period from  
10 April 2000  
to 30 June 2001  
£

Group relief

45,411

45,411

Notes to the Accounts (continued)  
for the period ended 30 June 2001

6 Investments

	30 June 2001 £
Cost at 10 April 2000	-
Investment in associate	750,015
<b>Cost at 30 June 2001</b>	<u>750,015</u>
Provision for impairment	(750,015)
<b>Net book value at 30 June 2001</b>	<u><u>-</u></u>

The Company owns 27% of the issued share capital of Wetrnose.com Limited, a company incorporated in England & Wales, an internet retailer of pet products. Wetrnose.com Limited is no longer trading and has been placed into voluntary creditors' liquidation.

7 Debtors

	30 June 2001 £
Amounts receivable from holding company	3,400
Amounts receivable from group undertakings	45,411
	<u>48,811</u>

8 Creditors: amounts falling due within one year

	30 June 2001 £
Amounts owed to parent undertaking	85,426
Accruals and deferred income	1,000
	<u>86,426</u>

9 Creditors: amounts falling due after one year

	30 June 2001 £
Amounts due to ultimate parent undertaking	815,015
	<u>815,015</u>

**Notes to the Accounts (continued)**  
**for the period ended 30 June 2001**

**13 Reconciliation of movement in shareholders' deficit**

	£
At 10 April 2000	-
Ordinary share capital issued	430
Retained loss for the period	(856,030)
Shareholders' deficit at 30 June 2001	<u>(855,600)</u>

**14 Parent Company and controlling party**

Odyssey Venture Partners Limited, a company incorporated in England and Wales is the immediate parent company.

The ultimate parent company is Pacific Investments PLC, a company registered in England and Wales, which is the smallest and largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the Company Secretary at 124 Sloane Street, London, SW1X 9BW.

The directors consider the ultimate controlling party to be JL Beckwith, a director and majority shareholder of the holding company.

**15 Related Parties**

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with other group companies on the basis that more than 90% of the voting rights are controlled within the group for which consolidated financial statements are publicly available.