

Company Registration Number: 3913139

Odyssey Venture Partners Limited

**Financial Statements
for the year ended 30 June 2005**



**Odyssey Venture Partners Limited
Directors' Report
for the year ended 30 June 2005**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2005.

Principal activities

The principal activity of the company is that of an investment holding company.

Review of the business and future developments

The directors expect the company to continue in operation as an investment holding company.

The profit and loss account for the year is set out on page 4.

Dividends

The directors do not recommend the payment of a dividend (2004: £nil).

Directors and their interests

The directors of the company at 30 June 2005, all of whom have been directors for the whole of the year ended, are listed below:

JL Beckwith

ACC Collett (resigned 27 January 2006)

SA Holder

SA Holder is Company Secretary.

The directors do not hold any direct interest in the share capital of the company.

The interests of JL Beckwith and SA Holder in Pacific Investments II Limited and its subsidiaries and associates are disclosed in the financial statements of that company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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)
for the year ended 30 June 2005**

Annual general meetings & auditors

Through elective resolutions the company has dispensed with the holding of annual general meetings, the laying of accounts before annual general meetings and the appointment of auditors annually.

By Order of the Board

A handwritten signature in black ink, appearing to read 'SA Holder', written in a cursive style.

SA Holder
Secretary

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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

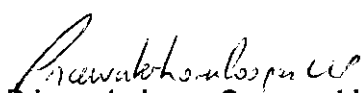
Basis of audit opinion

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 affairs of the company at 30 June 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
27 April 2006

Odyssey Venture Partners Limited

**Profit and Loss Account
for the year ended 30 June 2005**

	Note	2005 £	2004 £
Administrative expenses		(4,950,726)	(31,442)
Operating loss	2	<u>(4,950,726)</u>	<u>(31,442)</u>
Amounts written off investments	7	(432,511)	(78,488)
Interest receivable and similar income	4	2,103	279,455
Interest payable and similar charges	5	(188,380)	(444,482)
Loss on ordinary activities before taxation		<u>(5,569,514)</u>	<u>(274,957)</u>
Taxation	6	591,341	55,196
Retained deficit for the year		<u><u>(4,978,173)</u></u>	<u><u>(219,761)</u></u>

The operating loss derives wholly from continuing operations.

There are no recognised gains or losses other than the result for the year as shown above.

The notes on pages 6 to 11 form an integral part of these financial statements.

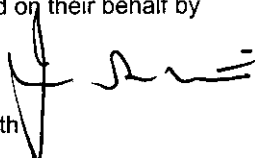
Odyssey Venture Partners Limited

Balance Sheet at 30 June 2005

	Note	2005 £	Restated 2004 £
FIXED ASSETS			
Investments	7	<u>77,697</u>	<u>551,804</u>
CURRENT ASSETS			
Debtors (amounts falling due after more than one year)	8	8,723	4,503,227
Debtors (amounts falling due within one year)	9	88,995	-
Cash at bank and in hand		<u>-</u>	<u>312,802</u>
		97,718	4,816,029
CREDITORS (amounts falling due within one year)	10	(43,153)	(3,455,467)
NET CURRENT ASSETS		<u>54,565</u>	<u>1,360,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>132,262</u>	<u>1,912,366</u>
CREDITORS (amounts falling due after more than one year)	11	(16,780,544)	(13,582,475)
NET LIABILITIES		<u>(16,648,282)</u>	<u>(11,670,109)</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	(16,648,284)	(11,670,111)
EQUITY SHAREHOLDER'S DEFICIT	14	<u>(16,648,282)</u>	<u>(11,670,109)</u>

The financial statements were approved by the Board of Directors on 26 April 2006
and signed on their behalf by

JL Beckwith
Director



The notes on pages 6 to 11 form an integral part of these financial statements.

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005

1 Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The company is a subsidiary of the Pacific Investments II Limited group of companies and is included in the consolidated financial statements of Pacific Investments II Limited, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements. Over 90% of the voting rights are controlled within the group and consequently the company is exempt under the terms of FRS 1 from preparing a cash flow statement. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Pacific Investments II Limited group of companies or investees of that group.

The principal accounting policies are set out below:

Going concern

These financial statements 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, Pacific Investments PLC, confirming their support for a period of at least 12 months from the date of approval of the financial statements.

Investments

Investments are stated 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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Operating loss

The operating loss is stated after charging:

	2005 £	2004 £
Amounts due from other group subsidiaries written off	4,838,917	-
Auditor's remuneration - Audit services	<u>4,400</u>	<u>4,400</u>

The Company has met the audit fees of its subsidiaries.

3 Staff costs

The company employed no staff during the year and no emoluments were paid to directors (2004: £nil).

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005 (Continued)

4 Interest receivable and similar income

	2005 £	2004 £
Bank interest receivable	2,103	43,667
Interest receivable from group undertakings	-	235,788
	<u>2,103</u>	<u>279,455</u>

5 Interest payable and similar charges

	2005 £	2004 £
Bank loans	188,380	157,616
Interest owed to group undertakings	-	286,866
	<u>188,380</u>	<u>444,482</u>

6 Taxation

	2005 £	2004 £
Tax credit in respect of losses surrendered to group companies	(88,996)	(52,261)
Over provision in respect of prior years	(502,345)	(2,935)
	<u>(591,341)</u>	<u>(55,196)</u>

6.1 Reconciliation of tax credit

	2005 £	2004 £
Loss on ordinary activities before taxation	(5,569,514)	(274,957)
Tax credit on ordinary activities before taxation at 30%	(1,670,854)	(82,487)
Over provision of tax in prior years	(502,345)	(2,935)
Expenses not tax deductible for tax purposes	1,452,106	5,430
Movement on provisions	129,753	24,796
	<u>(591,340)</u>	<u>(55,196)</u>

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005 (Continued)

6.2 Deferred tax asset

	2005 £	2004 £
	Unrecognised	Unrecognised
Provisions against fixed asset investments	<u>277,070</u>	<u>377,119</u>

No significant factors affecting future tax rates are anticipated.

7 Investments

	2005 £	2004 £
Subsidiaries	10,492	443,003
Other investments	67,205	108,801
	<u>77,697</u>	<u>551,804</u>

7.1 Investment in subsidiaries

	Shares £	Loans £	Total £
Cost			
At 30 June 2004	446,403	766,005	1,212,408
Disposals	(3,400)	(766,005)	(769,405)
At 30 June 2005	<u>443,003</u>	<u>-</u>	<u>443,003</u>
Provision for permanent diminution in value			
At 30 June 2004	(3,400)	(766,005)	(769,405)
Disposal	3,400	766,005	769,405
Amounts provided during the year	(432,511)	-	(432,511)
At 30 June 2005	<u>(432,511)</u>	<u>-</u>	<u>(432,511)</u>
Net Book Value			
At 30 June 2005	<u>10,492</u>	<u>-</u>	<u>10,492</u>
At 30 June 2004	<u>443,003</u>	<u>-</u>	<u>443,003</u>

A provision for permanent diminution in value of £432,511 was made against the company's investment in OVP 4 Limited during the year, writing this investment down to net asset value at the year end.

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005 (Continued)

7.1 Investment in subsidiaries (continued)

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

Name of undertaking	% interest	% voting	Holding	Nature of business	Place of Incorporation
OVP 4 Limited	100%	100%	Ordinary	Holding company	England and Wales

On 29th March 2005, the company's wholly owned subsidiary Odyssey New Media was dissolved.

7.2 Other investments

£

Cost

At 30 June 2004 599,858

Return of capital (41,596)

Cost at 30 June 2005 558,262

Provision for permanent diminution in value

At 30 June 2005 and 30 June 2004 (491,057)

Net Book Value at 30 June 2005 67,205

Net Book Value at 30 June 2004 108,801

The company's other investments comprise unlisted investments in the UK and overseas.

8 Debtors (amounts falling due after more than one year)

	2005 £	2004 £
Amounts due from other group subsidiaries	<u>8,723</u>	<u>4,503,227</u>

9 Debtors (amounts falling due within one year)

	2005 £	2004 £
Corporation tax recoverable	<u>88,995</u>	<u>-</u>

10 Creditors (amounts falling due within one year)

	2005 £	2004 £
Corporation tax payable	-	446,897
Bank loans and overdrafts	3,810	3,000,000
Accruals and deferred income	39,343	8,570
	<u>43,153</u>	<u>3,455,467</u>

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005 (Continued)

11 Creditors (amounts falling due after one year)

	2005 £	2004 £
Bank loans	3,210,000	-
Amounts due to holding company	2,582,489	2,538,971
Amounts due to group undertakings	10,988,055	11,043,504
	<u>16,780,544</u>	<u>13,582,475</u>

The loans from Pacific Investments PLC (parent company), River & Mercantile PLC and Pacific Leisure, Entertainment & Media Limited (group undertaking) are viewed as long term in nature with no fixed date of repayment. All companies have confirmed that they will not seek repayment of their loans for a period of 12 months from the date of approval of these financial statements.

12 Share capital

At 30 June 2005 and 2004, the authorised and issued share capital of the company comprised:

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

13 Profit and loss account

	£
Balance at 30 June 2004	(11,670,111)
Retained deficit for the year	(4,978,173)
Balance at 30 June 2005	<u>(16,648,284)</u>

14 Reconciliation of movement in shareholder's deficit

	£
Shareholder's deficit at 30 June 2004	(11,670,109)
Retained deficit for the year	(4,978,173)
Shareholder's deficit at 30 June 2005	<u>(16,648,282)</u>

Odyssey Venture Partners Limited

Notes to the Financial Statements for the year ended 30 June 2005 (Continued)

15 Capital commitments and contingencies

The company provides a corporate cross-guarantee to the Bank of Scotland on bank loans and overdrafts incurred by Pacific Investments PLC, Pacific Leisure, Entertainment & Media Limited, The General Property Investment Company Limited, River & Mercantile PLC, River & Mercantile Holdings Limited, Odyssey Venture Partners Limited and Education First and Foremost Limited. As security the bank holds a debenture comprising fixed and floating charges over the assets of the company. As at 30 June 2005, total borrowings against which this cross-guarantee applied were £16.6 million (2004: £17.4 million).

16 Parent company, ultimate parent company and ultimate controlling party

At 30 June 2005 the company's immediate parent company was Pacific Investments PLC, a company registered in England and Wales.

The company's ultimate parent company was Pacific Investments II Limited, a company registered in England and Wales, which was the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pacific Investments II Limited's consolidated financial statements can be obtained from Companies House.

In the opinion of the directors, the ultimate controlling party of the company was JL Beckwith, a director and majority shareholder of the ultimate parent company.