

Registered number 06311285

ODL IT Services Limited

Report and Financial Statements

31 December 2008

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COMPANIES HOUSE

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Directors

G Walsh
S R Reeves

Secretary

J McCaughran

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

The Royal Bank of Scotland
280 Bishopsgate
London EC2M 4RB

Solicitors

SJ Berwin LLP
10 Queen Street Place
London EC4R 1BE

Registered office

8th Floor
Northern & Shell Building
10 Lower Thames Street
London EC3R 6AD

Directors' report

The directors have pleasure in presenting their report and the audited financial statements of the company for the period from 12 July 2007 to 31 December 2008.

Principal activities

The principal activity of the company is the provision of computer software to group companies.

Results and dividends

The results for the period are shown in the profit and loss account on page 7. The loss for the period before taxation amounted to £3,835,687. Loss for the period after taxation amounted to £3,835,687. Profits before exceptional items for the period, see note 3 to the financial statements for further details, amounted to £20,834.

Business review and future developments

The company charges fees for the rent of fixed assets and amortisation of goodwill to other group companies.

Its principal asset during the year, goodwill relating to the ODL Capital business of ODL Securities Limited, a fellow group company, was written off at the year end following an impairment review.

Going concern

The Directors have considered the ability of the parent company to support the company and are of the opinion that the parent company will provide funds to the company, if and when necessary to meet its obligations as and when they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts. The directors have received assurance from the parent company in this respect.

Directors and their interests

The current directors and directors who served during the year are as follows:

S R Reeves	(appointed 15 April 2009)
G Walsh	(appointed 14 April 2009)
W T M Newton	(resigned 15 April 2009)
T P Glover	(resigned 15 April 2009)
T C Higgins	(resigned 22 October 2008)

Events after balance sheet date

On 6 April 2009, following a review of the financial viability of ODL Capital in the light of market conditions experienced in 2008, a decision was made, by the Board of Directors of ODL Securities Limited, to close the ODL Capital business at the end of May 2009, thus confirming the Directors decision to write off the value of goodwill at the year end.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each

Directors' report

director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditors

In accordance with s. 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the company.

On behalf of the board

Steven R. Reeves

Steven R Reeves
Director
22 May 2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of ODL IT Services Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODL IT SERVICES LIMITED

We have audited the company's financial statements for the period from 12 July 2007 to 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

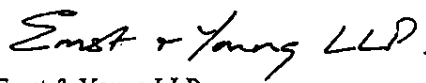
Independent auditors' report

to the members of ODL IT Services Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP

Registered auditor

London

22 May 2009

Profit and loss account

for the period from 12 July 2007 to 31 December 2008

	Notes	£
Revenue	1	439,185
Administrative expenses		(418,351)
Operating profit	2	<u>20,834</u>
Exceptional item	3	(3,856,521)
Loss on ordinary activities before taxation		<u>(3,835,687)</u>
Taxation	4	-
Loss after taxation		<u><u>(3,835,687)</u></u>

All the company's activities during the period are classed as continuing.

There are no recognised gains or losses in the period other than as disclosed within the profit and loss account.

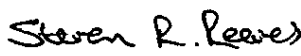
The attached notes form part of these financial statements.

Balance Sheet

as at 31 December 2008

	Notes	£
Fixed assets		
Intangible assets	5	-
Tangible assets	6	528,052
		<u>528,052</u>
Creditors: amounts falling due within one year	7	(4,363,737)
Net current assets		<u>(4,363,737)</u>
Net liabilities		<u>(3,835,685)</u>
Capital and reserves		
Share Capital	8	2
Profit and loss account	9	(3,835,687)
Equity shareholders' funds	10	<u>(3,835,685)</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors on 22 May 2009 and signed on its behalf by:

Director

 Steven R Reeves

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company has net liabilities as at 31 December 2008. The company has obtained a letter of financial support from its immediate parent company, ODL Group Limited, confirming that it will provide necessary funds to ensure that company will be able to meet its liabilities as and when they fall due for the foreseeable future. Accordingly, the directors believe that it is appropriate for the financial statements of the company to be prepared on a going concern basis.

Revenue

Revenue represents service charges receivable for the use of assets held by the company.

Intangible assets

Acquired positive goodwill is capitalised and classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs attributable to assets under construction are recognised as an expense when incurred.

Depreciation of tangible fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost over their expected useful lives, which are as follows:

Software Development - 4 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Cash flow statement

As the company is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group, and the consolidated financial statements in which the company is included are publicly available, the directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) (FRS1) and not applied FRS1.

Related party transactions

The company has taken advantage of the exemption allowed under Financial Reporting Standard No 8 and therefore transactions with other group companies are not disclosed separately.

Notes to the financial statements

at 31 December 2008

2. Operating Profit

Operating profit is stated after charging:

	£
Amortisation	418,271

The auditors' remuneration in the current period was borne by its immediate parent company. The company did not have any employees in the current period. The directors received no remuneration from the company in the period. The directors are remunerated by other group companies in respect of their directorship in and employment by those companies.

3. Exceptional item

	£
Write-off of goodwill following impairment review	3,856,521

4. Taxation

(a) Analysis of charge in period:

	£
Current tax:	
UK Corporation tax	-
	-
Deferred tax:	
Deferred tax for the year	-
	-

Notes to the financial statements

at 31 December 2008

4. Taxation (continued)

(b) Factors affecting tax charge for the year:

The tax assessed for the period is different from the standard rate of corporation tax in the UK (30% / 28%). The differences are explained below:

	£
Loss on ordinary activities before taxation	(3,835,687)
	<u> </u>
UK Corporation tax thereon at 30% / 28%	(1,093,171)
Effects of:	
Depreciation in excess of capital allowances	916
Unrelieved tax losses carried forward	1,092,255
	<u> </u>
Current tax charge	<u> </u>

5. Intangible assets

	<i>Goodwill</i> £
Cost	
At 12 July 2007	-
Additions	4,067,278
Impairment	<u>(4,067,278)</u>
At 31 December 2008	<u> </u>
Depreciation	
At 12 July 2007	-
Charge for the period	210,757
Impairment	<u>(210,757)</u>
At 31 December 2008	<u> </u>
Net Book Value	
At 31 December 2008	<u> </u>
At 12 July 2007	<u> </u>

Notes to the financial statements

at 31 December 2008

6. Tangible fixed assets

	<i>Software Development £</i>
Cost	
At 12 July 2007	-
Additions	735,565
At 31 December 2008	<u>735,565</u>
Depreciation	
At 12 July 2007	-
Charge for the period	207,513
At 31 December 2008	<u>207,513</u>
Net Book Value	
At 31 December 2008	<u>528,052</u>
At 12 July 2007	<u>-</u>

At the period end the company had capital commitments of £nil.

7. Creditors: amounts falling due within one year

	£
Bank overdrafts	17
Amounts due to fellow subsidiary undertaking	1,202,356
Amounts due to parent company	3,161,364
	<u>4,363,737</u>

8. Called up equity share capital

	£
Authorised	
2 ordinary shares of £1 each	2
Allotted and fully paid up	
2 ordinary shares of £1 each	<u>2</u>

Notes to the financial statements

at 31 December 2008

9. Profit and loss account

	£
At 12 July 2007	-
Loss for the period	(3,835,687)
At 31 December 2008	<u>(3,835,687)</u>

10. Reconciliation of movement in equity shareholders' funds

	£
Equity shareholders' funds at 12 July 2007	-
Ordinary share capital issued	2
Loss for the period	(3,835,687)
Equity shareholders' funds at 31 December 2008	<u>(3,835,685)</u>

11. Post balance sheet events

On 6 April 2009, following a review of the financial viability of ODL Capital in the light of market conditions experienced in 2008, a decision was made, by the Board of Directors of ODL Securities Limited, a fellow subsidiary of the company, to close the ODL Capital business at the end of May 2009, thus confirming the Directors decision to write off the value of goodwill at the year end.

12. Contingent liabilities

The company had no contingent liabilities at the balance sheet date.

13. Ultimate controlling party and parent undertaking

The immediate parent undertaking is ODL Group Limited, a company incorporated in the United Kingdom, which prepares consolidated Financial Statements in which the results of the company are included.

Gardenparty Limited, a company incorporated in the Isle of Man owns 51.90% of the issued equity share capital of ODL Group Limited. The ultimate controlling party is a discretionary trust.

Detailed profit and loss account (unaudited)

for the period from 12 July 2007 to 31 December 2008

	£
Revenue	439,185
Administrative expenses	
Depreciation	418,271
Bank charges	80
	<u>418,351</u>
Exceptional item	(3,856,521)
Loss on ordinary activities before taxation	(3,835,687)
Taxation	-
Loss after taxation	<u>(3,835,687)</u>