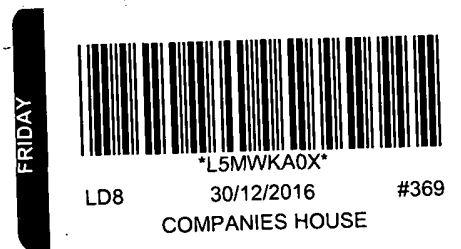


Odyssey Airlines Ltd

Abbreviated Accounts

For the year ended 31 March 2016



Odyssey Airlines Ltd

Contents

	Page
Independent auditors' report	1 - 3
Abbreviated balance sheet	4
Notes to the abbreviated accounts	5 - 6

Odyssey Airlines Ltd

Independent Auditors' Report to Odyssey Airlines Ltd

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of Odyssey Airlines Ltd for the year ended 31 March 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 21/12/2016 we reported, as auditors of Odyssey Airlines Ltd, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 March 2016, and our report included the following paragraph:

We have audited the financial statements of Odyssey Airlines Ltd for the year ended 31 March 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

Odyssey Airlines Ltd

Independent Auditors' Report to Odyssey Airlines Ltd (Continued)

Under section 449 of the Companies Act 2006

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for disclaimer of opinion on financial statements

The audit evidence available to us was limited because we were unable to obtain sufficient audit evidence as to the availability of on-going finance to enable the company to continue to trade and meet its liabilities as they fall due.

As explained in more detail in note 1.1 to the financial statements, the company's financing arrangements expire and amounts outstanding under these arrangements are payable on 31 December 2016. While the director continues to investigate alternative sources of finance, the company has not as yet been able to re-negotiate or secure replacement financing and if alternative financing is not secured the company may be unable to continue to trade and meet its liabilities as they fall due. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the appropriateness of the use of the going concern basis in preparing the financial statements.

Disclaimer of opinion on financial statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Notwithstanding our disclaimer of opinion on the view given by the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

Odyssey Airlines Ltd

Independent Auditors' Report to Odyssey Airlines Ltd (Continued)

Under section 449 of the Companies Act 2006

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from preparing a strategic report.



Darren Jordan (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

21 December 2016

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF

Odyssey Airlines Ltd

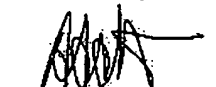
Abbreviated Balance Sheet

As at 31 March 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Debtors	2	1,201,060		1,200,850	
Cash at bank and in hand		4,926		69,937	
		<u>1,205,986</u>		<u>1,270,787</u>	
Creditors: amounts falling due within one year		<u>(3,309,843)</u>		<u>(2,563,353)</u>	
Total assets less current liabilities		<u>(2,103,857)</u>		<u>(1,292,566)</u>	
Capital and reserves					
Called up share capital	3	2,168		2,122	
Share premium account		1,533,419		1,183,170	
Profit and loss account		<u>(3,639,444)</u>		<u>(2,477,858)</u>	
Shareholders' funds		<u>(2,103,857)</u>		<u>(1,292,566)</u>	

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board for issue on ...19/12/2016.....



A Scott
Director

Company Registration No. 07362263

Odyssey Airlines Ltd

Notes to the Abbreviated Accounts

For the year ended 31 March 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

The director has considered the company's ability to continue trading as a going concern based on the company's current business activities together with the factors likely to affect the future development, performance and financial position of the business.

In making this assessment the director has prepared cash flow forecasts for the foreseeable future, being a period of at least twelve (12) months from the expected date of approval of the financial statements. In addition, subsequent to the year end, the company has raised funding of £212,290 from further share issues, and £85,000 from the issue of convertible loan notes.

The funding requirement is based on the company's on-going operations and commitments under the Purchase Agreement. The company cash flow forecasts show that £500,000 of the required funding will be raised in the first quarter of 2017. The director considers that the strong relationship it holds with its existing investors will provide the funding required by the company to meet its on-going financial obligations should the planned fund raising of £500,000 not be achieved.

The company is due to repay £2.51m of existing financing arrangements on 31 December 2016. The cash flow forecasts show that the company will not be able to meet the repayments at this time. The company is currently renegotiating the repayment arrangements and the director believes that it will be possible to extend the repayment period however there is currently no certainty in this respect. The company is dependent on securing further funding in order to be able to continue in business as a going concern and meet its liabilities as they fall due and the company will if necessary also look to the support of its existing investors, or to other potential investors, in order to meet its loan commitments and other liabilities.

The company has been able to continue trading for the past four years using both equity fund-raising and short term loans from investors. It is the director's opinion that the investors will continue to support the business for the foreseeable future as the company progresses towards becoming operational.

On this basis the director considers it appropriate that the financial statements are prepared on a going concern basis.

The financial statements do not include any adjustments that would result from the consequences of the company not being able to continue to trade.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Odyssey Airlines Ltd

Notes to the Abbreviated Accounts (Continued)

For the year ended 31 March 2016

1 Accounting policies

(Continued)

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Debtors

Debtors include an amount of £1,196,800 (2015 - £1,196,800) which is due after more than one year.

3 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
206,263,982 Ordinary A shares of £0.00001 each	2,157	2,111
1,100,000 Ordinary B shares of 0.001p each	11	11
	<u>2,168</u>	<u>2,122</u>

On 31 August 2015, the company issued 2,697,017 ordinary A shares of £0.00001 at a premium of £0.076 per share.

On 31 December 2015 the company issued a further 1,648,398 ordinary A shares of £0.00001 at a premium of £0.076 per share.

On 31 March the company issued 263,123 ordinary class A shares with a nominal value of £0.00001 at a premium of £0.076 per share.

Subsequent to the year end, on 29 April 2016 the company issued a further 1,153,291 ordinary class A shares with a nominal value of £0.00001 at a premium of £0.076 per share. On this date the company also issued a further 92,924 ordinary class B shares with a nominal value of £0.00001 at a premium of £0.076 per share.

Subsequent to the year end, on 19 September 2016 the company issued two convertible loan notes of £25,000 each. Each note gives the right to convert the loan to ordinary class A shares at a discount of 40% of market value once the main funding is achieved.

Subsequent to the year end, on 20 October 2016 the company issued a further convertible loan note of £25,000. This note gives the right to convert the loan to ordinary class A shares at a discount of 40% of market value once the main funding is achieved.

Subsequent to the year end, on 25 October 2016 the company issued a further convertible loan note of £10,000. This note gives the right to convert the loan to ordinary class A shares at a discount of 40% of market value once the main funding is achieved.

4 Control

The directors do not consider there to be one ultimate controlling party.