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This document, which constitutes a prospectus pursuant to the POS Regulations and the AIM Rules, has been issued in connection with the application for admission to trading of the Enlarged Share Capital on AIM and has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 4(2) of the POS Regulations.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Ordinary Shares on 26 April 2005.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

FTV GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with registered no. 03848181)

Acquisition of Apace Group Limited Placing of 266,666,666 Ordinary Shares at 0.75p per share Change of Name to Apace Media Group Plc Interim Results for the six months ended 31 December 2004 Admission to trading on AIM Notice of Extraordinary General Meeting

Nominated Adviser and Broker

Seymour Pierce Limited

Authorised		Share Capital on Admission	Issued and Fully Paid	
Amount	Number		Amount	Number
£8,750,000	1,750,000,000	Ordinary Shares of 0.5p each	£4,358,615.28	871,723,056

All of the New Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

Seymour Pierce, which is regulated by the Financial Services Authority, is acting as nominated adviser and broker exclusively for the Company in connection with the proposed Placing and Admission. Seymour Pierce is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce, or for advising any other person in connection with the Placing. The responsibilities of Seymour Pierce, as nominated adviser, are owed solely to the London Stock Exchange.

The Directors and the Proposed Director of FTV, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Director (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Didier Stoessel accepts responsibility for the information on the Concert Party contained in this document. To the best of his knowledge and belief (having taken all reasonable care to ensure such is the case) the information contained in this document on the Concert Party is in accordance with the facts and makes no omission likely to affect the import of such information.

Your attention is drawn to Part II of this document, which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

Notice of an Extraordinary General Meeting of FTV, to be held directly following the AGM of the Company, at the offices of Seymour Pierce, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL at 9.40 a.m. on 25 April 2005 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Registrars, Proxies Dept., PO Box 25, 34 Beckenham Road, Beckenham, Kent, BR3 4BR no later than 9.40 a.m. on 23 April 2005.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Republic of Ireland or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Republic of Ireland or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia, Republic of Ireland or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

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DIRECTORS, SECRETARY, PROPOSED DIRECTOR AND ADVISERS

Directors	Anthony Charles Vickers, <i>Chairman</i> Martin James Hardy Johnston, <i>Finance Director</i> Michael Graeme Morris, <i>Non Executive Director</i>
Company Secretary	Martin Johnston
Proposed Director	Didier Georges Philippe Stoessel, <i>Executive Chairman and Chief Executive</i>
Registered and Head Office	22 Grosvenor Square London W1K 6LF
Nominated Adviser and Broker	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
Solicitors to the Company	Mayer Brown Rowe & Maw LLP 11 Pilgrim Street London EC4V 6RW
Solicitors to Apace	Macfarlanes 10 Norwich Street London EC4A 1BD
Reporting Accountants to Apace	Rawlinson & Hunter Eagle House 110 Jermyn Street London SW1Y 6RH
Reporting Accountants to FTV	BDO Stoy Hayward LLP Emerald House East Street Epsom Surrey KT17 1HS
Reporting Accountants to ProActive Projects Limited	Monahans Clarks Mill Stallard Street Trowbridge Wiltshire BA14 8HH
Solicitors to the Placing	Field Fisher Waterhouse 35 Vine Street London EC3N 2AA
Financial Public Relations	Redleaf Communications Ltd 9-13 St Andrews Street London EC4A 3AF
Registrar	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

TRANSACTION STATISTICS

Number of New Ordinary Shares being placed on behalf of the Company	266,666,666
Consideration Shares	550,000,000
Percentage of Enlarged Issued Share Capital being placed pursuant to the Placing	30.59%
Percentage of Enlarged Issued Share Capital being issued to the Vendors	63.1%
Issue Price	0.75p
Number of Ordinary Shares in issue immediately following Admission	871,723,056
Market capitalisation at the Issue Price	£6.54 million
Gross Proceeds of the Placing	£2 million
Estimated expenses of the Acquisition and the Placing payable by the Company	£400,000
Estimated net proceeds of the Placing to be received by the Company	£1.6 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy from Shareholders for the EGM	9.40 a.m. on 23 April 2005
Extraordinary General Meeting	9.40 a.m. on 25 April 2005
Admission and commencement of dealings in the Existing Ordinary Shares and the New Ordinary Shares	26 April 2005
Delivery of Ordinary Shares into CREST accounts	26 April 2005
Despatch of definitive share certificates (where applicable) by	10 May 2005

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Acquisition”	the acquisition of Apace by the Company
“Acquisition Agreement”	the conditional agreement dated 31 March 2005 between (1) the Vendors, (2) the Company and (3) Seymour Pierce, further details of which are set out in paragraph 9.1 of Part V of this document
“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange governing admission to and the operation of AIM
“Articles”	the Articles of Association of the Company
“Apace”	Apace Group Limited
“Apace Group”	Apace and its subsidiaries
“Code” or “City Code”	The City Code on Takeovers and Mergers
“Concert Party”	Didier Stoessel, Alan Morton, Tommasina Kay and Judith Le Fleming
“Consideration Shares”	the 550,000,000 Ordinary Shares to be issued to the Vendors in consideration for the Acquisition
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by CRESTCo
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“Directors” or the “Board”	the directors of the Company, whose names appear on page 3 of this document
“Dynamic Music and Media”	Dynamic Music and Media Limited
“Enlarged Group”	the Company as enlarged by the Acquisition
“Enlarged Share Capital”	the Existing Ordinary Shares and the New Ordinary Shares
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of FTV convened for 9.40 a.m. on 25 April 2005 to vote on the Resolutions, notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the EGM
“FTV” or “the Company”	FTV Group plc
“Group”	FTV and the Apace Group following the Acquisition

“Issue Price”	0.75p per Ordinary Share
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Placing Shares and the Consideration Shares
“Options”	options or awards over Ordinary Shares granted pursuant to the Share Option Schemes
“Ordinary Shares”	ordinary shares of 0.5 pence each in the capital of the Company
“Panel”	The Panel on Takeovers and Mergers
“Placing”	the conditional placing by Seymour Pierce of the Placing Shares with institutional and other investors at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 31 March 2005 between (1) Seymour Pierce, (2) the Company and (3) the Directors and Proposed Director, further details of which are set out in paragraph 9.2 of Part V of this document
“Placing Shares”	the 266,666,666 Ordinary Shares to be issued pursuant to the Placing
“POS Regulations”	the Public Offers of Securities Regulations 1995 (as amended)
“Pro-Active”	Pro-Active Projects Limited
“Proposals”	The Acquisition, the Placing and the change of name
“Proposed Director”	Didier Stoessel
“Resolutions”	the resolutions set out in the notice of EGM at the end of this document
“SET”	Sports and Entertainment Television Limited
“Seymour Pierce”	Seymour Pierce Limited
“Shareholders”	holders of Ordinary Shares
“Share Option Schemes”	such employee share option schemes as the Company operates from time to time
“UK”	United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “USA” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“Vendors”	Didier Stoessel, Alan Morton, Tommasina Kay and Judith Le Fleming

PART I

LETTER FROM THE CHAIRMAN OF FTV

FTV GROUP PLC

(registered in England and Wales with registered number 03848181)

FTV Directors:

Tony Vickers, *Chairman*
Martin Johnston, *Finance Director*
Michael Morris, *Non Executive Director*

Registered Office:

22 Grosvenor Square
London W1K 6LF

31 March 2005

To Shareholders and, for information only, to participants in the FTV Share Option Schemes

Dear Shareholder,

INTRODUCTION

Your Board is pleased to announce that terms have been agreed for the conditional acquisition of Apace for a consideration to be satisfied by the issue of the Consideration Shares. The Consideration Shares are to be issued at the Issue Price which values Apace at £4.125 million.

The Board further announces the terms of the Placing to raise approximately £2 million (before expenses) to provide working capital for the Enlarged Group.

Under the AIM Rules, the Acquisition of Apace constitutes a reverse takeover and, as such, FTV is obliged to apply for re-admission of the Existing Ordinary Shares and admission of the New Ordinary Shares to trading on AIM.

The purpose of this document is to set out details of the Acquisition and the Placing and to explain why your Board considers that they are in the best interests of Shareholders and the Company as a whole and to recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

INFORMATION ON FTV

The principal activity of the FTV group was the provision of audiovisual advertising at petrol service stations until the Company's trading subsidiary, Forecourt Television Limited, ceased to trade on 16 September 2002 and was placed in creditors' voluntary liquidation on 17 October 2002.

The Company has operated as a cash shell and continued to retain its AIM listing since that time, and efforts have been maintained to identify a business which the Board would be happy to recommend to Shareholders as a reverse takeover partner. The Board has identified Apace as such a target.

The Directors believe that Apace is a company with potential for growth in the future both organically and through acquisition and recognise that Apace's management team has the skills and experience necessary to achieve this objective.

Financial information on FTV is included in Part III of this document.

INFORMATION ON APACE

Apace, founded in 2002 by Didier Stoessel, ex-Chief Executive of Corporate Finance at HSBC Investment Bank, is a media group specialising in the creation, distribution and exploitation of intellectual property in

the sports and entertainment sectors. Apace has grown both organically through the recruitment of staff with specialised skills and via the acquisition of target companies in both sports and entertainment.

The key capabilities of Apace are:

- Content ownership & creation through its TV production company, Pro-Active, and its compilation record label catalogue and music publishing business, Dynamic Music and Media.
- Distribution through its TV production business, Pro-Active, and through Sports and Entertainment Television.
- Content exploitation through its sponsorship and consultancy business, Apace Sports, and its advertiser-funded programming business within Sports and Entertainment Television.

The companies and divisions of Apace consist of:

Apace Sports

Created in May 2002, Apace Sports is a division operating in the field of sponsorship consultancy.

Pro-Active

Acquired from Sportsworld Media Group plc (when in receivership) in May 2002, Pro-Active is an independent television production company producing programming which it sells to broadcasters including Sky Television. The programmes take the format of sports and entertainment magazines and live sports production. Pro-Active has production relationships with the International Rugby Board, for the Rugby Sevens World Series, and the Professional Squash Association.

Apace Content Acquisition

Created in May 2002, this division is involved in the restructuring and trading of intellectual property assets. Notably it acquired, restructured and then sold RM Associates, the classical, music, arts and cultural audio-visual programming catalogue.

Sports and Entertainment Television

Incorporated in March 2004, SET is a television programme distribution company specialising in advertiser-funded programming, dealing with television networks and offering a range of services to enhance brands' exposure to TV audiences.

Dynamic Music and Media

Incorporated in July 2004, Dynamic Music and Media acquired certain assets of Beechwood Music Group (in administration). Dynamic Music and Media is a record label and music publishing company, owning a music publishing catalogue and a mid-priced compilation-based record label, with a portfolio of non artist-dependent catalogues such as compilation multi-pack CD sets. The key customers of Dynamic Music and Media include HMV, Virgin, Asda and Sainsbury's.

TERMS OF THE ACQUISITION

Under the terms of the Acquisition Agreement, FTV has conditionally agreed to acquire the entire issued share capital of Apace. The consideration for the Acquisition is the issue to the Vendors of Apace of the Consideration Shares. The Consideration Shares are to be issued at the Issue Price of 0.75p per share which values Apace at £4.125 million.

Under the Acquisition Agreement the Proposed Director has given limited warranties to the Company in respect of the business and affairs of the Apace Group.

Further details of the Acquisition Agreement are set out in paragraph 9.1 of Part V of this document.

Application will be made to the London Stock Exchange for admission of the Consideration Shares to be traded on AIM. The Consideration Shares will rank *pari passu* with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after Admission. Dealings in the Consideration Shares are expected to commence on 26 April 2005.

The Acquisition is conditional on Shareholder approval of the Resolutions to be proposed at the EGM. The Acquisition will result in the Concert Party owning more than 30 per cent. of the enlarged issued share capital of the Company. Shareholders are therefore being asked at the EGM to approve the waiver granted by the Panel of the obligation of the Concert Party to make a general offer to Shareholders under Rule 9 which would otherwise arise upon completion of the Acquisition.

DIRECTORS

Anthony Vickers – Age 61, Non Executive Chairman

Tony Vickers joined Forecourt Television Limited as Chairman in August 1998 from his position as group sales and marketing director of British Sky Broadcasting Limited. Tony's career in the media sector spans nearly 40 years. In 1973, he was appointed as the first sales director of Capital Radio Limited, the London entertainment radio station, and in 1976 he was appointed to the board of that company. In 1981, he moved to Link Television Limited (formerly Trident Television Limited) where he was sales controller responsible for airtime sales on Yorkshire TV and Tyne Tees TV. In 1983, Tony joined TVam Limited, where he was sales and marketing director and was involved in the refinancing and flotation of that company. Tony is currently Chairman of Circa Group, a personalised conference, events, corporate hospitality and sports travel company recently appointed as official third party agent for the 2006 FIFA World Cup in Germany.

Martin Johnston – Age 53, Finance Director

Martin Johnston is a chartered accountant who qualified with Deloitte Haskins & Sells. He worked in industrial companies for over twenty years and was first appointed to a board position in 1983, as finance director of Landis & Gyr Limited. In 1993 he joined Flight Refuelling Limited, the main operating company of Cobham Plc, as finance director and in the following year he joined Servomex Plc ("Servomex") as group finance director and company secretary. Servomex was an industrial instrumentation group with a full listing on the London Stock Exchange. Martin left Servomex after five years when it was acquired by a larger UK group and joined FTV in August 2000.

Michael Morris – Age 33, Non Executive Director

Michael Morris is a consultant to the Strategic group of companies, advising on M&A projects. He has been lead consultant to various groups on transactions including acquisitions of both private and publicly held companies in the technology, real estate, resources and telecoms fields. He has served as a Director of MDI Security Systems (Nasdaq: MDII), formally Ultrak Inc. (Nasdaq: ULTK), where he jointly oversaw the divestiture of \$36m in assets to Honeywell. He has also served as a director of Naty AB (Sweden), a consumer products manufacturer and distributor. Previously Michael was Artist & Repertoire Executive with various Zomba companies, a media and entertainment group now part of the Bertelsmann organisation, responsible for talent acquisition, deal structuring and negotiation. He holds a Bachelor of Business degree from Queensland University of Technology.

PROPOSED DIRECTOR

Didier Stoessel, aged 41, proposed Executive Chairman and Chief Executive

Didier founded Apace in 2002. Didier Stoessel graduated with an Msc from ENSTA, the french engineering school in 1987 and got his MBA degree from INSEAD in 1991. Didier Stoessel joined Merrill Lynch in 1991. He left Merrill Lynch in 1997 as a director-investment banking and was at the time responsible for relationships with French corporates. In particular, he worked on the privatisation of Elf Aquitaine, the oil company and France Telecom. Didier Stoessel joined HSBC Investment Bank in 1997 as co-head of corporate Finance, became Deputy Chief Executive- Corporate Finance in 1998 and Chief Executive-

Corporate Finance in 1999. He left the bank in December 2001. Didier Stoessel has managed Apace on a day to day basis since 2002. He has been responsible for the negotiation and completion of the company's acquisitions. Going forward, Didier Stoessel will use his corporate finance background in particular to further expand the company's activities. He will also be responsible for formulating and implementing the company's strategy and will run the Company trading division. He will work closely with and support the other members of the senior management team. He will also be involved in trying to secure more senior client relationships.

At completion of the Acquisition, Didier will become Executive Chairman and Chief Executive of the Enlarged Group. Tony Vickers will become a Non Executive Director.

SENIOR MANAGEMENT

Judith Le Fleming

Judith has worked as a marketing professional for over 16 years having started her career at Andersen Consulting. Whilst at Andersen, Judith negotiated their Williams Grand Prix sponsorship (now in its 11th year) and ran the global marketing exploitation programme. Judith joined Sir Jackie Stewart's F1 team in 1996. Ford bought Stewart Grand Prix in 2000 and re-branded it Jaguar Racing. Judith was subsequently appointed its marketing director. Judith left Jaguar Racing in 2002 to join Apace and to head up the Apace Sports division. Going forward, Judith Le Fleming will be responsible for managing the current Apace Sports relationships and trying to secure further consulting agreements with rights holders and brands.

Neil Osborne

Neil has been in media sales management for over 12 years, having started his career at Emap, where he ran the Broadcast, TV World and Screen International advertising teams. Following a move to London Weekend Television nearly 10 years ago, Neil became head of Business Development for Granada's nationwide studio facilities. He joined the Television Corporation in 2001, becoming sales director a year later for its advertiser-funded TV and sports divisions. Neil joined Apace in 2004 to head up SET. Going forward, Neil Osborne will be responsible for securing new business from brands and identifying content that can be advertiser-funded.

Tim Millington

Tim has 14 years' experience working within the music industry. Before managing Dynamic Music and Media, Tim was group managing director of the Beechwood Music Group of companies. Tim has expertise in music licensing, publishing and global sales. Tim is Managing Director of Dynamic Music and Media Limited which was set up by Apace in July 2004. Going forward, Tim Millington will be responsible for the creative growth of Dynamic Music and Media and the launch of further labels. He will also be responsible for the growth of its publishing catalogue.

Alan Morton

Alan founded Pro-Active in 1992. Having started as a sports journalist, Alan's career developed through PR, sports sponsorship and event management before 10 years in television production. Alan is Managing Director of Pro-Active. Going forward, Alan Morton will be responsible for the creation and production of new programmes. He will also be involved in maintaining and growing Pro-Active relationships with TV stations and rights holders.

Tommasina Kay

Joining Pro-Active at its inception, Tommasina was appointed director in 1999. Tommasina's background in international sales has helped develop Pro-Active's portfolio of weekly magazine programmes sold in many countries. As well as sharing the day-to-day running of Pro-Active, Tommasina is also responsible for client liaison and project management on Pro-Active's higher profile work. Going forward, Tommasina Kay will be responsible for growing the distribution and production activities of Pro-Active. She will also be responsible for Pro-Active main clients relationships.

CURRENT TRADING AND PROSPECTS

Since June 2004, the Apace subsidiaries and divisions have performed satisfactorily. The launch of Dynamic Music and Media is well under way and SET is working to secure a number of large projects. Following Admission, the Board intends to pursue a strategy of growth by acquisition.

There are no other major changes planned to the current operations of Apace.

DETAILS OF THE PLACING

The Company is proposing to raise approximately £2 million (before expenses) through a conditional placing by Seymour Pierce of 266,666,666 Ordinary Shares at 0.75p per share.

Pursuant to the Placing Agreement, Seymour Pierce has agreed with the Company, on and subject to the terms set out therein, to use its reasonable endeavours to procure institutional and other investors to subscribe for the Placing Shares at the Issue Price. The placing of the Placing Shares at the Issue Price will raise approximately £1.6 million (net of expenses) for the Company.

Further details of the Placing Agreement are set out in paragraph 9.2 of Part V of this document. The Placing is conditional, *inter alia*, on:

- (a) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- (b) Admission being effective no later than 26 April 2005 or such later date as Seymour Pierce and the Company may agree (not being later than 15 May 2005).

The Placing Shares will represent approximately 30.59 per cent. of the Enlarged Share Capital. The Placing Shares will be issued credited as fully paid and will rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

SHARE OPTION SCHEME

The Company is proposing to operate suitable share option scheme(s) to incentivise employees of the Group following Admission. It is proposed that options will be granted pursuant to such schemes over shares representing not more than 10 per cent. of the Company's issued share capital.

LOCK-UP UNDERTAKINGS AND SIGNIFICANT SHAREHOLDER

Immediately following Admission the Directors and Vendors will be interested in aggregate in 555,062,018 Ordinary Shares, representing approximately 63.67 per cent. of the Enlarged Share Capital. The Vendors have undertaken that, subject to certain exceptions, they will not sell or otherwise dispose of, or agree to dispose of, any of their interests in the Ordinary Shares held on Admission for a minimum period of 12 months following Admission.

The undertakings will not apply if the disposal is by way of:

- (a) an acceptance of a general offer by any third party for the share capital of the Company made in accordance with the Code which relates to the entire issued share capital of the Company (other than any shares held by the offeror or persons acting in concert with him for the purposes of the Code in relation to such offer) (a "Code Offer");
- (b) the giving of an irrevocable undertaking to accept a Code Offer;
- (c) the sale of Consideration Shares to an offeror or a potential offeror in respect of a Code Offer (or any person acting in concert with him) during the offer period for such a Code Offer;
- (d) a disposal required by an order of a court with competent jurisdiction; or
- (e) the personal representatives of any of the Vendors if he/she should die during the period of such restrictions, but provided always that any sale by such personal representatives during such period:

- (i) is an on market sale effected through the nominated adviser appointed by FTV under the AIM Rules; and
- (ii) is effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market in the issued share capital of the Company.

DIVIDEND POLICY

The Directors' intention is that the Company, while continuing to retain a sufficient proportion of the Group's earnings to facilitate the Board's plans for the continued growth of the Group both organically and through acquisition, will follow a progressive dividend policy in forthcoming years when the Company has sufficient cash reserves to allow it to comfortably pay a dividend.

The Board will continue to review its dividend policy as the Company develops.

THE CITY CODE ON TAKEOVERS & MERGERS

The Acquisition and the issue of the Consideration Shares to members of the Concert Party gives rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford to Shareholders are described below.

The Code is issued and administered by the Panel. The Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the UK and to certain categories of private limited companies. FTV is such a company and its Shareholders are entitled to the protections afforded by the Code.

Under Rule 9 of the Code, where any person acquires, whether by a single transaction or series of transactions over a period of time, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company which is subject to the Code, or where any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of the company, acquires additional shares which carry voting rights, that person is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company for cash at the highest price paid by him or any person acting in concert with him in the previous 12 months.

Under the Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by them of shares in a company, to obtain or consolidate control of that company. Control means the holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

Didier Stoessel, Alan Morton, Tommasina Kay and Judith Le Fleming are persons acting in concert for the purposes of the Code. Further information on the Concert Party members is set out in paragraph 3 of Part V of this document.

The aggregate shareholding of the Concert Party following the successful completion of the Acquisition is set out below.

<i>Name</i>	<i>Currently</i>		<i>On Admission</i>	
	<i>Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Didier Stoessel	–	–	484,000,000	55.52%
Judith Le Fleming	–	–	11,000,000	1.26%
Tommasina Maria Isa Kay	–	–	11,000,000	1.26%
Alan Sydney Morton	–	–	44,000,000	5.05%
Total Potential controlling shareholding	–	–	550,000,000	63.1%

Shareholders should note that, if the relevant Resolutions are passed, on completion of the Acquisition the Concert Party would between them own 550,000,000 Ordinary Shares representing 63.1 per cent. of the enlarged issued voting share capital of the Company.

The Panel has agreed, subject to the approval of Shareholders at the Extraordinary General Meeting, to waive the obligation for the Concert Party to make a general offer to Shareholders under Rule 9 that would otherwise arise upon Completion. Accordingly, Resolution 3 is being proposed at the EGM and will be taken on a poll.

Following completion of the Proposals, the Concert Party will between them hold more than 50 per cent. of the Company's Enlarged voting Share Capital and for so long as its members remain in concert, will be entitled to increase its interest in the voting rights of the Company without incurring any further obligation under Rule 9 of the Code to make a general offer.

However, the Panel should be consulted before any individual member of the Concert Party increases their shareholding through 30 per cent. or, if such holding is already more than 30 per cent. but not more than 50 per cent., before any increase in such holding.

The Directors and Proposed Director have confirmed that the existing employment contracts, including the pension rights, of all employees of the Company will be fully safeguarded.

THE EXTRAORDINARY GENERAL MEETING

In addition to obtaining the approval of the Shareholders to the waiver by the Panel described above, the approval of the Shareholders is also required to implement the Acquisition as (i) under the AIM Rules, the Acquisition is classified as a reverse takeover requiring shareholder approval; and (ii) the issue of the New Ordinary Shares requires the Company to increase its authorised share capital, the Company to authorise the Directors to allot the New Ordinary Shares and the Directors to allot the Placing Shares pursuant to the Placing without first offering the Placing Shares to the holders of Existing Ordinary Shares as would otherwise be required under the Act.

Accordingly, the Extraordinary General Meeting has been convened for 9.40 a.m. on 25 April 2005 for the purpose of considering, and if thought fit, passing the following resolutions:

- (i) an ordinary resolution to approve the Acquisition and related arrangements and, to increase the Company's authorised share capital from £400,000 to £8,750,000 by the creation of an additional 1,670,000,000 new Ordinary Shares and to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £8,474,718.05 pursuant to section 80 of the Act, which authority will expire 15 months after the passing of the Resolution or, if sooner, at the conclusion of the Company's next annual general meeting;
- (ii) a special resolution to empower the Directors pursuant to Section 95 of the Act to exercise the powers of the Company to allot equity securities (as defined in Section 94(2) of the Act) of the Company pursuant to the authority referred to in paragraph (i) above as if Section 89(1) of the Act did not apply to the allotment. This authority is limited to:
 - a. the allotment of 266,666,666 Ordinary Shares in connection with the Placing;
 - b. any such allotment and/or sale of equity securities in connection with an offer (whether by way of rights issue, open offer or otherwise) to the holders of ordinary shares of the Company in proportion (as nearly as may be) to their respective holdings of ordinary shares subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or otherwise or any legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - c. any such allotment (other than pursuant to paragraphs (ii) a, and b above) of equity securities up to a maximum nominal amount of £1,046,067 (representing 24 per cent of the Enlarged Issued Share Capital,

such authority to expire 15 months after the passing of the Resolution or, if sooner, at the conclusion of the Company's next annual general meeting.

- (iii) an ordinary resolution conditional upon Admission giving the Company authority to buy back up to 130 million Ordinary Shares;
- (iv) an ordinary resolution to be taken on a poll to approve the waiver from the Panel referred to above of the obligation for the Concert Party to make a general offer to Shareholders under Rule 9; and
- (v) a special resolution that the name of the Company be changed to Apace Media Group plc.

Following the allotment of the New Ordinary Shares the authorised but unissued share capital of the Company shall comprise 878,276,944 Ordinary Shares.

ADDITIONAL INFORMATION

Prospective investors should read the whole of this document which provides additional information on the Group and the Placing and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part II, which contains a summary of the risk factors relating to any investment in the Placing Shares.

Action to be taken

Shareholders will find attached a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete the Form of Proxy and return it to Capita Registrars as soon as possible, and in any event, so as to arrive not later than 9.40 a.m. on 23 April 2005. The completion and return of the Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person should you wish to do so.

Recommendation

The FTV Directors, who have been so advised by their financial advisers, Seymour Pierce, consider the Proposals to be fair and reasonable as regards Shareholders and the Company as a whole. In providing its advice to the FTV Directors, Seymour Pierce has taken into account the commercial assessments of the FTV Directors.

The FTV Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings of 5,062,018 Ordinary Shares in aggregate, representing approximately 9.19 per cent. of the issued share capital of the Company.

In addition, a further Shareholder, representing approximately 29.99 per cent. of the issued share capital of the Company has irrevocably undertaken to vote in favour of the Resolutions at the EGM.

Yours sincerely

Tony Vickers
Chairman

PART II

RISK FACTORS

An investment in ordinary shares involves a high degree of risk. Accordingly, prospective investors in Ordinary Shares should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below, prior to making any investment decision. The information below does not purport to be an exhaustive list or summary of the risks which the Group may encounter and is not set out in any particular order of priority. Investors should consider carefully whether an investment in the Company is suitable for them in the light of the information in this document and the financial resources available to them. The Group's business, financial condition or operations could be materially and adversely affected by the occurrence of any of the risks described below. In such case, the market price of the Ordinary Shares could decline due to any of these risks and investors could lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group.

Liquidity of the Ordinary Shares and volatility of their price

It may be more difficult for an investor to realise his or her investment in a company whose shares are traded on AIM than a company whose securities are listed on the Official List of the United Kingdom Listing Authority. AIM has been in existence since June 1995 but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed. The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment, especially as the market in the Ordinary Shares may have limited liquidity.

Current operating results as an indication of future results

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance. Factors that may affect the Group's operating results include increased competition and an increased level of expenses as it continues to expand into new business areas. It is possible that, in the future, the Group's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Ordinary Shares may decline significantly.

Significant Shareholder

Following Admission, Didier Stoessel will hold 55.52 per cent. of the Enlarged Share Capital. As a result, Didier Stoessel will be able to exert significant influence over the Company with respect to its corporate affairs requiring shareholder approval. This includes the power to, among other things, appoint and remove directors of the Company.

Dependence on key executives and personnel

The Group's future success is substantially dependent on the continued services and performance of its executive directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors cannot give assurances that members of the senior management team and the executive Directors will continue to remain with the Group. The loss of the services of the Directors, members of senior management and other key employees could damage the Group's business.

Management of growth

The ability of the Group to implement its strategy in a rapidly evolving market requires effective planning and management control systems. The Directors anticipate that further expansion will be required to respond

to market opportunities and the potential growth in its client base. The Group's growth plans may place a significant strain on the Group's management and operational, financial and personnel resources. Therefore the Group's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

The need to raise additional capital in the future

The Group's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and its ability to carry out potential acquisitions. It is difficult for the Directors to predict accurately the timing and amount of the Company's capital requirements. If the plans or assumptions set out in the Company's business plan change or prove to be inaccurate, or if the Company makes any material acquisitions, the Group may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Dependence on key customers and contracts

The Company has existing significant contracts with a limited number of customers and will be dependent in the future on winning further large value business deals to meet its targets. Should any of these existing contracts be terminated or not be renewed, or should the Company fail to win new contracts, in particular in the fields dealt with by Apace Sports and Sports and Entertainment Television, it could have a material adverse effect on the trading position and any future profitability of the Company.

For example, Pro-Active has a distribution contract with Fox Sports whereunder Fox Sports distributes certain Pro-Active TV Formats. Termination of this agreement would have a materially negative effect on the results of Pro-Active. Apace Sports has a long-term consultancy agreement with the Subaru Rally Team, termination of which would have a negative and material effect on Apace Sports' trading.

Record label risk

Record labels are experiencing increasing margin pressure and decreasing shelf-space from retailers. Any acceleration of those trends could have a negative material effect on the results of Dynamic Music and Media.

Content trading risk

Content trading is a high-risk, volatile and capital-intensive activity.

Corporate governance procedures

Apace is a small company at an early stage of its development and, due to its size, and the composition of its board, Apace does not currently meet the standards of corporate governance that the market might expect from an AIM company. Whilst the Enlarged Group intends to improve its Corporate Governance standards on Completion, it will not meet the standards set by the Combined Code in a number of areas. The Board does not believe that the financial and administrative cost of compliance with the Combined Code in these areas would be justified by the corresponding benefit to Shareholders.

Further, Apace does not currently have a strong finance function or a sophisticated system of internal controls. The Board intends to adopt appropriate financial controls for the Enlarged Group on Completion.

Dilution of shareholdings

It is intended that the Enlarged Group will grow through acquisition which may involve (i) the issue of consideration shares to a third party and the consequential dilution of the existing shareholders' equity stake, and (ii) the acquisition of companies and/or businesses in administration in circumstances where warranty protection would not necessarily be provided by the seller(s).

Purchases from insolvency practitioners

Apace acquired shares in Pro-Active and certain related assets from Sportsworld Media Group plc (whilst in receivership) and Dynamic Music and Media acquired the business and certain assets of Beechwood Music Limited whilst Beechwood Music Limited was in administration. Accordingly, Apace and Dynamic Music and Media did not obtain the benefit of warranties and indemnities from the relevant vendors. There can be no certainty that liabilities will not arise in respect of such purchases.

PART III

FINANCIAL INFORMATION ON FTV

SECTION A: ACCOUNTANTS' REPORT ON FTV GROUP PLC



BDO Stoy Hayward LLP
(Chartered Accountants)

Emerald House
East Street
Epsom
Surrey KT17 1HS

The Directors and Proposed Director
FTV Group Plc
22 Grosvenor Square
London
W1K 6LF

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8EL

31 March 2005

Dear Sirs

FTV Group Plc (“The Company”)

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the prospectus dated 31 March 2005 of FTV Group Plc (“the Prospectus”).

Basis of preparation

The financial information is based on the audited financial statements of FTV Group Plc for the three years ended 30 June 2004 (the “Relevant Period”) to which no adjustments were considered necessary.

BDO Stoy Hayward LLP (and their predecessor firm, BDO Stoy Hayward) have been auditors throughout the Relevant Period.

Responsibility

The financial statements are the responsibility of the directors of FTV Group Plc who approved their issue.

The Directors and the Proposed Director are responsible for the contents of the Prospectus in which this report is contained.

It is our responsibility to compile the financial information set out in our report from the financial statements and to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the

financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of FTV Group Plc as at the dates stated and of its losses and cash flows for the years then ended.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraphs 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Financial instruments

In relation to the disclosures made in note 17:

- Short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures: and
- The Company does not hold or issue derivative financial instruments for trading purposes.

Liquid resources

For the purposes of the cash flow statements, liquid resources are defined as current asset investments and short-term deposits.

Profit and loss accounts

	<i>Notes</i>	<i>2004</i> £'000	<i>2003</i> £'000	<i>2002</i> £'000
Administrative expenses		(135)	(456)	(155)
Exceptional administrative expenses	2	<u>–</u>	<u>–</u>	<u>(6,881)</u>
Operating loss		<u>(135)</u>	<u>(456)</u>	<u>(7,036)</u>
Interest receivable	1	20	36	181
Loss on ordinary activities before taxation	2	<u>(115)</u>	<u>(420)</u>	<u>(6,855)</u>
Taxation on loss on ordinary activities	6	<u>–</u>	<u>–</u>	<u>–</u>
Loss on ordinary activities after taxation, being the loss for the year		<u>(115)</u>	<u>(420)</u>	<u>(6,855)</u>
Loss per share (basic and diluted)	5	<u>(0.21)p</u>	<u>(0.76)p</u>	<u>(12.45)p</u>

All recognised gains and losses are included in the profit and loss accounts shown above.

All amounts relate to continuing activities.

Balance sheets

	<i>Notes</i>	<i>2004</i> £'000	<i>2003</i> £'000	<i>2002</i> £'000
Tangible fixed assets	7	<u>6</u>	<u>8</u>	<u>–</u>
Current Assets				
Debtors	9	5	51	40
Cash at bank and in hand		<u>381</u>	<u>453</u>	<u>1,970</u>
		386	504	2,010
Creditors: amounts falling due within one year	10	<u>(19)</u>	<u>(24)</u>	<u>(1,142)</u>
Net current assets		<u>367</u>	<u>480</u>	<u>868</u>
Total assets less current liabilities		<u>373</u>	<u>488</u>	<u>868</u>
Capital and reserves				
Called up share capital	11	275	2,752	2,752
Share premium	13	213	9,159	9,119
Profit and loss account	13	<u>(115)</u>	<u>(11,423)</u>	<u>(11,003)</u>
Equity shareholders' funds	14	<u>373</u>	<u>488</u>	<u>868</u>

Cash flow statements

	<i>Notes</i>	<i>2004</i> £'000	<i>2003</i> £'000	<i>2002</i> £'000
Reconciliation of operating loss to net cash flow from operating activities				
Operating loss		(135)	(456)	(7,036)
Depreciation		2	–	–
Decrease/(increase) in debtors		46	29	(27)
(Decrease)/increase in creditors		(5)	(1,118)	1,099
Provision of investments for impairment		–	–	1,169
		<u> </u>	<u> </u>	<u> </u>
Net cash outflow from operating activities		(92)	(1,545)	(4,795)
Returns on investments and servicing of finance				
Interest received		20	36	181
		<u> </u>	<u> </u>	<u> </u>
Net cash inflow from returns on investments and servicing of finance		20	36	181
		<u> </u>	<u> </u>	<u> </u>
Capital expenditure and financial investment				
Purchase of tangible fixed assets		–	(8)	–
		<u> </u>	<u> </u>	<u> </u>
Net cash outflow from capital expenditure and financial investment		–	(8)	–
		<u> </u>	<u> </u>	<u> </u>
Cash outflow before management of liquid resources		(72)	(1,517)	(4,614)
Management of liquid resources				
Net cash withdrawn from deposit		78	1,484	4,639
		<u> </u>	<u> </u>	<u> </u>
Net cash inflow		78	1,484	4,639
		<u> </u>	<u> </u>	<u> </u>
Increase/(decrease) in cash in the year	15/16	<u> </u> 6	<u> </u> (33)	<u> </u> 25

Notes to the accounts

1 Interest receivable and interest payable

	<i>2004</i>	<i>2003</i>	<i>2002</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Interest receivable and other income			
Bank interest receivable	20	36	181

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating lease rentals – land and buildings	–	2	–
Auditors' remuneration – audit services	7	7	25
– non-audit services	3	2	7

Exceptional item

The exceptional administrative costs in the year ended 30 June 2002 comprise £6,390,000 write off of the intercompany debtor owed by the Company's operating subsidiary, Forecourt Television Limited, which entered into creditors' voluntary liquidation on 17 October 2002, and £491,000 relating to the payment made by the Company to terminate outstanding operating leases of Forecourt Television Limited which the Company had guaranteed.

3 Staff costs

The average monthly number of sales and administrative staff (including executive directors) during the year ended 30 June 2004 was 1 (2003: 5; 2002: nil). Their aggregate remuneration comprised:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	61	249	–
Severance/termination payments	–	87	–
Social security costs	7	27	–
Other pension costs	–	22	–

In the year ended 30 June 2002, all staff were employed and remunerated by Forecourt Television Limited.

4 Directors' remuneration

Details of directors' emoluments are set out below:

	<i>Basic remuneration and fees 2004 £</i>	<i>Benefits 2004 £</i>	<i>Total remuneration 2004 £</i>	<i>Pension contributions 2004 £</i>
A C Vickers (Chairman)	1,000	–	1,000	–
M J H Johnston	58,071	3,785	61,856	–
A J A B Gunning	1,000	–	1,000	–
M G Morris	1,000	–	1,000	–
	<u>61,071</u>	<u>3,785</u>	<u>64,856</u>	<u>–</u>

	<i>Basic remuneration and fees 2003 £</i>	<i>Compensation for loss of office 2003 £</i>	<i>Benefits 2003 £</i>	<i>Total remuneration 2003 £</i>	<i>Pension contributions 2003 £</i>
A C Vickers (Chairman)	23,875	–	463	24,338	3,542
M J H Johnston	99,167	–	419	99,586	4,583
M R Gull	39,375	60,000	391	99,766	6,250
J M May	10,500	–	–	10,500	–
C R Dickens	11,000	–	–	11,000	–
W W Vanderfelt	4,500	–	–	4,500	–
A J A B Gunning	1,000	–	–	1,000	–
J Willoughby	1,000	1,000	–	2,000	–
	<u>190,417</u>	<u>61,000</u>	<u>1,273</u>	<u>252,690</u>	<u>14,375</u>

	<i>Basic remuneration and fees 2002 £</i>	<i>Compensation for loss of office 2002 £</i>	<i>Benefits 2002 £</i>	<i>Total remuneration 2002 £</i>	<i>Pension contributions 2002 £</i>
A C Vickers (Chairman)	85,000	–	8,805	93,805	17,708
A M Bryson	36,667	142,873	11,551	191,090	9,167
A F Morrison	37,500	–	3,346	40,846	9,375
M J H Johnston	98,333	–	8,523	106,856	20,625
M R Gull	125,000	–	6,873	131,873	25,000
J M May	18,000	–	–	18,000	–
C R Dickens	18,277	–	–	18,277	–
W W Vanderfelt	18,000	–	–	18,000	–
	<u>436,777</u>	<u>142,873</u>	<u>39,098</u>	<u>618,748</u>	<u>81,875</u>

Details of options held by directors at 30 June 2004, 30 June 2003 and 30 June 2002 are set out below:

<i>Director</i>	<i>Number</i>	<i>Exercise price</i>	<i>Exercise period</i>
M J H Johnston	171,233	73p	19 September 2003 to 18 September 2010
	250,000	16p	8 September 2004 to 7 September 2011
	250,000	6.5p	22 March 2005 to 21 March 2012
	<u>671,233</u>		
M R Gull	250,000	16p	8 September 2004 to 7 September 2011
	250,000	6.5p	22 March 2005 to 21 March, 21 March 2012
	<u>500,000</u>		

No options have been exercised during the year ended 30 June 2004 (2003: none; 2002: none) and no options lapsed unexercised during the year (2003: none; 2002: none).

The market price of the ordinary shares at 30 June 2004 was 1.2p (2003: 0.6p; 2002: 4p) and, during the year, the price ranged from 0.6p to 1.2p (2003 4p to 0.6p; 2002 16p to 4p).

The options of M R Gull have lapsed since 30 June 2004.

5 Loss per ordinary share

The calculations of loss per share are based on the following losses and numbers of shares:

	<i>2004 Loss £'000</i>	<i>2004 Per share p</i>	<i>2003 Loss £'000</i>	<i>2003 Per share p</i>	<i>2002 Loss £'000</i>	<i>2002 Per share p</i>
Loss after taxation	(115)	(0.21)	(420)	(0.76)	(6,855)	(12.45)
Dilutive effect of options	–	–	–	–	–	–
	<u>(115)</u>	<u>(0.21)</u>	<u>(420)</u>	<u>(0.76)</u>	<u>(6,855)</u>	<u>(12.45)</u>
Shares		<i>Number</i>		<i>Number</i>		<i>Number</i>
Weighted average number of shares Basic and diluted		<u>55,056,390</u>		<u>55,056,390</u>		<u>55,056,390</u>

6 Taxation on loss on ordinary activities

The Company's accounting policy for taxation is set out in note 1.

No charge for current or deferred taxation arises due to losses brought forward and incurred during each year. As a result of these losses, there is a deferred tax asset. This asset has not been recognised as there is no certainty that this amount will be recoverable. The total unprovided deferred tax asset is £320,000 (2003: £282,018; 2002: £139,078).

There was no tax charge in the year ended 30 June 2004 (2003: nil; 2002: nil). This differs from the credit arising from losses using the standard rate of corporation tax in the UK. The differences are explained below.

Factors affecting tax charge for the year:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Loss on ordinary activities before tax	(115)	(420)	(6,855)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003: 30%; 2002: 30%)	(35)	(126)	(2,057)
Effects of:			
Expenses not deductible for tax purposes	4	(17)	1
Tax losses for the year carried forward	31	143	139
Write off of intercompany debt	—	—	1,917
	<hr/>	<hr/>	<hr/>
Current tax credit for the period	—	—	—
	<hr/>	<hr/>	<hr/>
Unprovided deferred tax asset:			<i>£'000</i>
Brought forward at 1 July 2003			282
Adjustment in respect of prior years			7
Tax on excess management expenses in FTV Group plc for the year			31
			<hr/>
Carried forward at 30 June 2004			320
			<hr/>
Unprovided deferred tax asset:			<i>£'000</i>
Brought forward at 1 July 2002			139
Tax on excess management expenses in FTV Group plc for the year			143
			<hr/>
Carried forward at 30 June 2003			282
			<hr/>
Unprovided deferred tax asset:			<i>£'000</i>
Brought forward at 1 July 2001			—
Tax on excess management expenses in FTV Group plc for the year			139
			<hr/>
Carried forward at 30 June 2002			139
			<hr/>

7 Tangible assets

	<i>Motor vehicles</i> £'000	<i>Total</i> £'000
Cost		
At 1 July 2001 and 1 July 2002	–	–
Additions	8	8
	<hr/>	<hr/>
At 1 July 2003 and 30 June 2004	8	8
	<hr/>	<hr/>
Depreciation		
At 1 July 2001, 1 July 2002 and 1 July 2003	–	–
Charge for period	(2)	(2)
	<hr/>	<hr/>
At 30 June 2004	(2)	(2)
	<hr/>	<hr/>
Net book value		
At 30 June 2004	6	6
	<hr/>	<hr/>
At 30 June 2003	8	8
	<hr/>	<hr/>
At 30 June 2002	–	–
	<hr/>	<hr/>

8 Fixed asset investments

	<i>Loans</i> £	<i>Shares</i> £	<i>Total</i> £
Subsidiary undertaking:			
Cost at 1 July 2002	1,642,734	1	1,642,735
Investment written off on liquidation	(1,642,734)	(1)	(1,642,735)
	<hr/>	<hr/>	<hr/>
Cost at 30 June 2003 and 30 June 2004	–	–	–
	<hr/>	<hr/>	<hr/>
Provision for impairment at 1 July 2002	(1,642,734)	(1)	(1,642,735)
Provision written back on liquidation	1,642,734	1	1,642,735
	<hr/>	<hr/>	<hr/>
Provision for impairment at 30 June 2003 and 30 June 2004	–	–	–
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2004, 30 June 2003 and 30 June 2002	–	–	–
	<hr/>	<hr/>	<hr/>

Particulars of subsidiary company:

<i>Name of company</i>	<i>Description of shares held</i>	<i>Percentage of nominal value and voting rights of issued shares held</i>	<i>Nature of business</i>
Forecourt Television Limited	Ordinary £1 shares	100 per cent.	Audio-visual advertising

The above subsidiary company operated in England, its country of registration, until it was placed in creditors' voluntary liquidation on 17 October 2002.

9 Debtors

	2004 £'000	2003 £'000	2002 £'000
Prepayments	5	6	8
Other debtors	–	45	32
	<u>5</u>	<u>51</u>	<u>40</u>

All amounts fall due within one year.

10 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000	2002 £'000
Trade creditors	6	3	16
Amounts due to subsidiary undertakings	–	–	620
Other taxation and social security	2	3	–
Accruals	11	18	506
	<u>19</u>	<u>24</u>	<u>1,142</u>

11 Share capital

	2004 Number	2003 Number	2002 Number	2004 £'000	2003 £'000	2002 £'000
<i>Authorised</i>						
Ordinary shares of 5p each	80,000,000	80,000,000	80,000,000	4,000	4,000	4,000
Capital reduction	–	–	–	(3,600)	–	–
Ordinary shares of 0.5p each (2003: 5p each; 2002: 5p each)	<u>80,000,000</u>	<u>80,000,000</u>	<u>80,000,000</u>	<u>400</u>	<u>4,000</u>	<u>4,000</u>
<i>Issued, called up and fully paid</i>						
Ordinary shares of 5p each	55,056,390	55,056,390	55,056,390	2,752	2,752	2,752
Capital reduction	–	–	–	(2,477)	–	–
Ordinary shares of 0.5p each (2003: 5p each; 2002: 5p each)	<u>55,056,390</u>	<u>55,056,390</u>	<u>55,056,390</u>	<u>275</u>	<u>2,752</u>	<u>2,752</u>

At the Annual General Meeting on 31 January 2004, shareholders approved resolutions to reduce the capital of the Company. The resolutions were confirmed by the High Court on 3 March 2004 and became effective on registration at Companies House on 4 March 2004.

The effect of the resolutions was as follows:

- Ordinary shares of 5p were converted into the same number of ordinary shares of 0.5p
- The amount standing to the credit of the share premium account was reduced by £8,946,068.

12 Share options

Options to subscribe for 1,441,233 ordinary shares have been granted at the market value at the date of grant under the provisions of the Company's share option schemes to directors and other employees.

At 30 June 2004, 30 June 2003 and 30 June 2002, the following share options, including directors' options, were outstanding in respect of ordinary shares:

<i>Date of grant</i>	<i>Number of shares</i>	<i>Period of option</i>	<i>Price per share</i>
2000	171,233	September 2003 – September 2010	73p
2001	600,000	September 2004 – September 2011	16p
2002	670,000	March 2005 – March 2012	6.5p

250,000 16p options and 250,000 6.5p options owned by M R Gull have lapsed since 30 June 2004.

13 Reserves

Share premium account

	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>
At 1 July 2001	9,119	(4,148)
Loss for the year	–	(6,855)
At 1 July 2002	9,119	(11,003)
VAT refund receivable	40	–
Loss for the year	–	(420)
At 1 July 2003	9,159	(11,423)
Loss for the year	–	(115)
Capital reduction	(8,946)	11,423
At 30 June 2004	213	(115)

A refund of VAT previously disallowed in respect of flotation expenses charged to share premium was claimed in September 2003 and received on 26 November 2003.

14 Reconciliation of movements in shareholders' funds

	<i>2004 £'000</i>	<i>2003 £'000</i>	<i>2002 £'000</i>
Loss for the year	(115)	(420)	(6,855)
VAT refund receivable (note 13)	–	40	–
Net deduction from shareholders' funds	(115)	(380)	(6,855)
Opening shareholders' funds	488	868	7,723
Closing shareholders' funds	373	488	868

15 Analysis of changes in net funds

	<i>At 1 July 2001 £'000</i>	<i>Cash flow £'000</i>	<i>At 1 July 2002 £'000</i>	<i>Cash flow £'000</i>	<i>At 1 July 2003 £'000</i>	<i>Cash flow £'000</i>	<i>At 30 June 2004 £'000</i>
Net cash:							
Cash at bank and in hand	2	25	27	(33)	(6)	6	–
Liquid resources:							
Deposits	6,582	(4,639)	1,943	(1,484)	459	(78)	381
Net funds	<u>6,584</u>	<u>(4,614)</u>	<u>1,970</u>	<u>(1,517)</u>	<u>453</u>	<u>(72)</u>	<u>381</u>

16 Reconciliation of net cash flow to movement in net debt

	<i>2004 £'000</i>	<i>2003 £'000</i>	<i>2002 £'000</i>
Increase/(decrease) in cash in period	6	(33)	25
Cash inflow from change in liquid resources	<u>(78)</u>	<u>(1,484)</u>	<u>(4,639)</u>
Movement in net funds in period	(72)	(1,517)	(4,614)
Net funds at 1 July	<u>453</u>	<u>1,970</u>	<u>6,584</u>
Net funds at 30 June	<u>381</u>	<u>453</u>	<u>1,970</u>

17 Financial instruments

The Company's financial instruments comprise cash and other items such as debtors and creditors.

It is the Company's policy to keep surplus funds on deposit to earn the prevailing market rate of interest.

It is the Company's policy not to speculate in derivative financial instruments in either sterling or foreign currencies. The Company does not have any material currency exposure, as transactions in foreign currency are rare.

The numerical disclosures in this note deal with financial assets and financial liabilities as defined in Financial Reporting Standard 13 "Derivatives and other financial instruments: Disclosures" ("FRS 13"). Certain financial assets such as investments in subsidiary undertakings are excluded from the scope of these disclosures.

As permitted by FRS 13, short term debtors and creditors have been excluded from the disclosures, other than the currency disclosures.

Interest rate profile

The Company has no financial assets other than sterling cash deposits of £381,000 (2003: £459,000; 2002: £1,943,000), which are part of the financing arrangements of the Company. The sterling cash deposits comprise deposits placed at investment rates of interest, which ranged between 3.32 per cent. p.a. and 4.56 per cent. p.a. in the year ended 30 June 2004 (2003: ranged between 3.32 per cent. p.a. and 4.1875 per cent. p.a.; 2002: ranged between 3.375 per cent. p.a. and 5.75 per cent. p.a.). Maturity periods ranged between 14 and 32 days in each financial period.

Currency exposure

During the year ended 30 June 2004, the Company had no currency exposure and therefore did not engage in any form of currency hedging transaction (2003: £nil currency exposure; 2002: £nil currency exposure).

Financial liabilities

The Company had no borrowings during any of the financial periods.

Fair values

The fair values of the financial assets and liabilities at 30 June 2004, 30 June 2003 and 30 June 2002 are not materially different from their book values.

18 Financial commitments**Operating leases**

The Company settled certain equipment operating lease commitments during the year ended 30 June 2003 under the terms of its guarantee for the sums provided in the accounts for the year ended 30 June 2002 as referred to in note 2.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

SECTION B: FTV Group plc Interim results for the six months ended 31 December 2004

Profit and loss account

		<i>6 months to</i>		<i>Year ended</i>
		<i>31 December</i>		<i>30 June</i>
		<i>2004</i>	<i>2003</i>	<i>2004</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Administrative expenses		<u>(64)</u>	<u>(57)</u>	<u>(135)</u>
Operating loss and loss on ordinary activities				
before interest		(64)	(57)	(135)
Interest receivable		<u>9</u>	<u>8</u>	<u>20</u>
Loss on ordinary activities before taxation		<u>(55)</u>	<u>(49)</u>	<u>(115)</u>
Tax on loss on ordinary activities	2	<u>–</u>	<u>–</u>	<u>–</u>
Loss on ordinary activities after taxation,				
being the loss for the period		<u>(55)</u>	<u>(49)</u>	<u>(115)</u>
Loss per share – basic and diluted (pence)	3	(0.10)	(0.09)	(0.21)

All amounts relate to continuing activities.

There were no recognised gains or losses in the period other than those reflected in the profit and loss account.

Balance sheet

		<i>31 December</i>		<i>30 June</i>
		<i>2004</i>	<i>2003</i>	<i>2004</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fixed assets				
Tangible assets		<u>5</u>	<u>8</u>	<u>6</u>
		<u>5</u>	<u>8</u>	<u>6</u>
Current assets				
Debtors		4	5	5
Cash at bank and in hand		<u>339</u>	<u>446</u>	<u>381</u>
		343	451	386
Creditors: amounts falling due within one year		<u>(30)</u>	<u>(20)</u>	<u>(19)</u>
Net current assets		<u>313</u>	<u>431</u>	<u>367</u>
Total assets less current liabilities		<u>318</u>	<u>439</u>	<u>373</u>
Net assets		<u>318</u>	<u>439</u>	<u>373</u>
Capital and reserves				
Called up share capital	4	275	2,753	275
Share premium	5	213	9,158	213
Reserves	5	<u>(170)</u>	<u>(11,472)</u>	<u>(115)</u>
Equity shareholders' funds		<u>318</u>	<u>439</u>	<u>373</u>

Cash flow statement

		<i>6 months to</i>		<i>Year ended</i>
		<i>31 December</i>		<i>30 June</i>
		<i>2004</i>	<i>2003</i>	<i>2004</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Reconciliation of operating result to net cash flow from operating activities				
Operating loss		(64)	(57)	(135)
Depreciation		1	–	2
Decrease in debtors		1	46	46
Increase/(decrease) in creditors		11	(4)	(5)
Net cash outflow from operating activities		<u>(51)</u>	<u>(15)</u>	<u>(92)</u>
Cash flow statement				
Net cash outflow from operating activities		(51)	(15)	(92)
Returns on investments and servicing of finance				
Interest received		9	8	20
Net cash inflow		<u>9</u>	<u>8</u>	<u>20</u>
Cash outflow before management of liquid resources				
		(42)	(7)	(72)
Management of liquid resources				
Cash drawn from deposit	6	43	11	78
Net cash inflow		<u>43</u>	<u>11</u>	<u>78</u>
Increase in cash in the period	6,7	<u>1</u>	<u>4</u>	<u>6</u>

NOTES TO THE INTERIM REPORT

1. Basis of preparation

The interim report has been prepared on the basis of the accounting policies set out in the Company's June 2004 statutory accounts.

The interim report is unaudited and does not constitute statutory accounts. Comparatives to the year ended 30 June 2004 are provided. These figures are derived from the statutory accounts of FTV Group plc for the same period. The statutory accounts of FTV Group plc were audited and the auditor's opinion on those accounts was unqualified. Copies have been filed with the Registrar of Companies.

This interim report was approved by the board on 30 March 2005. Further copies are available from the Company's registered office, 22 Grosvenor Square, London W1K 6LF.

2. Tax on loss on ordinary activities

Due to the losses incurred, no provision has been made for taxation. The Company has a potential deferred tax asset as a result of the losses made. This asset has not been recognised as there is no certainty that the amount will be recoverable. The total unprovided deferred tax asset at 31 December 2004 is £335,000 (31 December 2003: £304,000; 30 June 2004: £320,000).

3. Loss per ordinary share

The calculations of loss per share are based on the following losses and numbers of shares:

	<i>6 months ended 31 December 2004</i>		<i>6 months ended 31 December 2003</i>		<i>Year ended 30 June 2004</i>	
	<i>Loss £'000</i>	<i>per share p</i>	<i>Loss £'000</i>	<i>per share p</i>	<i>Loss £'000</i>	<i>per share p</i>
Loss						
Loss after taxation	(55)	(0.10)	(49)	(0.09)	(115)	(0.21)
Dilutive effect of options	—	—	—	—	—	—
	<u>(55)</u>	<u>(0.10)</u>	<u>(49)</u>	<u>(0.09)</u>	<u>(115)</u>	<u>(0.21)</u>
<i>Shares</i>		<i>No.</i>		<i>No.</i>		<i>No.</i>
Weighted average number of shares						
Basic		55,056,390		55,056,390		55,056,390

There is no potential dilution of loss per share.

4. Share capital

	<i>31 December 2004</i>		<i>31 December 2003</i>		<i>30 June 2004</i>	
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
Authorised						
Ordinary shares of 5p each	—	—	80,000,000	4,000	—	—
Ordinary shares of 0.5p each	80,000,000	400	—	—	80,000,000	400
Issued						
Ordinary shares of 5p each	—	—	55,056,390	2,753	—	—
Ordinary shares of 0.5p each	55,056,390	275	—	—	55,056,390	275

5. Reserves

	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>
At 1 July 2004	213	(115)
Loss for the period	—	(55)
At 31 December 2004	<u>213</u>	<u>(170)</u>

6. Analysis and reconciliation of net funds

	<i>1 July 2004 £'000</i>	<i>Cash flow £'000</i>	<i>31 December 2004 £'000</i>
Net cash			
Cash at bank and in hand	—	1	1
Liquid resources			
Deposits	381	(43)	338
Net funds	<u>381</u>	<u>(42)</u>	<u>339</u>

7. Reconciliation of net cash flow to movements in net funds

	<i>6 months to 31 December</i>		<i>Year ended</i>
	<i>2004</i>	<i>2003</i>	<i>30 June</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Increase in cash in the period	1	4	6
Cash outflow from decrease in liquid resources	(43)	(11)	(78)
Movement in net funds in period	<u>(42)</u>	<u>(7)</u>	<u>(72)</u>
Net funds at beginning of period	381	556	453
Net funds at end of period	<u>339</u>	<u>549</u>	<u>381</u>

PART IV

FINANCIAL INFORMATION ON APACE

Part A: ACCOUNTANTS' REPORT ON APACE GROUP LIMITED

The Directors
FTV Group Plc
22 Grosvenor Square
London W1K 6LF

RAWLINSON & HUNTER

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
London EC4N 8EL

31 March 2005

Dear Sirs

APACE GROUP LIMITED (THE "COMPANY")

Introduction

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the prospectus dated 31 March 2005 (the "Prospectus") of FTV Group plc.

Basis of Preparation

The financial information set out below has been extracted from the audited financial statements of the Company for the year ended 30 June 2004 and the unaudited financial statements of the Company for the period ended 30 June 2003, prepared on the basis set out below, to which no adjustments were considered necessary.

Responsibility

Such financial statements are the responsibility of the Company directors who approved their issue.

The directors of FTV are responsible for the contents of the Prospectus in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the financial statements for the year ended 30 June 2004. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives, for the purpose of the Prospectus, a true and fair view of the state of affairs of Apace Group Limited's affairs as at the dates stated and of its results for the periods then ended.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

PROFIT AND LOSS ACCOUNTS

		<i>Year ended</i> <i>30 June 2004</i>	<i>Period from</i> <i>8 May 2002 to</i> <i>30 June 2003</i>
	<i>Note</i>	£	£
TURNOVER	1, 2	267,041	78,460
Administrative expenses		<u>(192,641)</u>	<u>(209,851)</u>
OPERATING PROFIT/(LOSS)	3	74,400	(131,391)
Interest receivable	5	<u>45,919</u>	<u>—</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		120,319	(131,391)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	6	<u>(8,725)</u>	<u>—</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>111,594</u>	<u>(131,391)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss accounts.

BALANCE SHEETS

As at 30 June

	<i>Note</i>	<i>2004</i> £	<i>2003</i> £
FIXED ASSETS			
Tangible fixed assets	7	6,480	10,787
Investments	8	530,086	500,001
		<u>536,566</u>	<u>510,788</u>
CURRENT ASSETS			
Debtors	9	165,566	518,657
Cash at bank		229,505	42,098
		<u>395,071</u>	<u>560,755</u>
CREDITORS: amounts falling due within one year	10	<u>(79,024)</u>	<u>(53,163)</u>
NET CURRENT ASSETS		<u>316,047</u>	<u>507,592</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		852,613	1,018,380
CREDITORS: amounts falling due after more than one year	11	<u>(772,410)</u>	<u>(1,049,771)</u>
NET ASSETS/(LIABILITIES)		<u>80,203</u>	<u>(31,391)</u>
CAPITAL AND RESERVES			
Called up share capital	12	100,000	100,000
Profit and loss account		(19,797)	(131,391)
SHAREHOLDERS' FUNDS – All Equity	13	<u>80,203</u>	<u>(31,391)</u>

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The Company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Investments

Investments are stated at cost less provision for impairment, if any.

1.3 Cash flow

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover comprises the value of marketing services supplied during the period by the Company, exclusive of Value Added Tax.

1.5 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.6 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings – 25 % reducing balance
Office equipment – 25 % reducing balance
Computer equipment – Over 3 years

2. TURNOVER

The whole of the turnover is attributable to fees in respect of provision of marketing services.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting):

	<i>Year ended</i> <i>30 June 2004</i>	<i>Period from</i> <i>8 May 2002 to</i> <i>30 June 2003</i>
	£	£
Depreciation of tangible fixed assets	4,307	4,881
Auditors' remuneration	6,000	–
Difference on foreign exchange	(411)	–
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2003 – £nil).

4. STAFF COSTS

Staff costs were as follows:

	<i>Year ended</i> <i>30 June 2004</i>	<i>Period from</i> <i>8 May 2002 to</i> <i>30 June 2003</i>
	£	£
Wages and salaries	68,341	78,140
Social security costs	8,103	8,703
	<u> </u>	<u> </u>
	76,444	86,843

The average monthly number of employees, including the director, during the year was as follows:

<i>Year ended</i> <i>30 June 2004</i>	<i>Period from</i> <i>8 May 2002 to</i> <i>30 June 2003</i>
2	2
<u> </u>	<u> </u>

5. INTEREST RECEIVABLE

	<i>Year ended</i> <i>30 June 2004</i>	<i>Period from</i> <i>8 May 2002 to</i> <i>30 June 2003</i>
	£	£
Bank interest receivable	1,091	–
Loan interest receivable	44,828	–
	<u> </u>	<u> </u>
	45,919	–

6. TAXATION

	<i>Year ended</i> 30 June 2004	<i>Period from</i> 8 May 2002 to 30 June 2003
	£	£
UK corporation tax charge on profits of the year	8,725	–

Factors affecting tax charge for year

The tax assessed for the year is lower than the small companies rate of corporation tax in the UK (19 per cent.). The differences are explained below:

	<i>Year ended</i> 30 June 2004	<i>Period from</i> 8 May 2002 to 30 June 2003
	£	£
Profit/(loss) on ordinary activities before tax	120,319	(131,391)
Profit/(loss) on ordinary activities multiplied by the relevant small companies rate of corporation tax in the UK of 19% (2003 – 19%)	22,861	(24,964)
Effects of:		
Expenses not deductible for tax purposes	548	5,756
Difference between capital allowances for period and depreciation	647	(1,365)
Utilisation of tax losses	(15,331)	–
Tax losses carried forward	–	20,573
Current tax charge for year (see note above)	8,725	–

There were no factors that may affect future tax charges.

7. TANGIBLE FIXED ASSETS

	<i>Furniture and fittings</i> £	<i>Office equipment</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost				
At 8 May 2002	–	–	–	–
Additions	2,835	3,402	9,431	15,668
At 1 July 2003	2,835	3,402	9,431	15,668
Additions	13,250	–	–	13,250
Disposals	(13,250)	–	–	(13,250)
At 1 July 2003 and 30 June 2004	2,835	3,402	9,431	15,668
Depreciation				
At 8 May 2002	–	–	–	–
Charge for the period to 30 June 2003	768	817	3,296	4,881
At 1 July 2003	768	817	3,296	4,881
Charge for the year to 30 June 2004	517	646	3,144	4,307
At 30 June 2004	1,285	1,463	6,440	9,188
Net book value				
At 30 June 2004	1,550	1,939	2,991	6,480
At 30 June 2003	2,067	2,585	6,135	10,787
At 8 May 2002	–	–	–	–

8. FIXED ASSET INVESTMENTS

	<i>Shares in in group undertakings</i> £	<i>Other investments</i> £	<i>Total</i> £
Cost			
At 1 July 2003	500,001	–	500,001
Additions (see notes (1), (2), (3) and (5) below)	13,085	17,000	30,085
Transfer (see note (4) below)	(12,331)	12,331	–
At 30 June 2004	500,755	29,331	530,086

8. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The Company had the following subsidiary undertakings:

Pro-Active Projects Limited	90% (2003: 75%) ordinary share capital
Sports and Entertainment Television Limited	74% (2003: Nil%) ordinary share capital

The aggregate of the share capital and reserves as at 30 June 2004 and the profit or loss for the year ended on that date taken from the latest published financial statements for the subsidiary undertakings was as follows:

	<i>Aggregate of share capital and reserves</i>	<i>Profit/(loss)</i>
	£	£
Pro-Active Projects Limited	<u>531,316</u>	<u>34,697</u>

The principal activity of the Company's subsidiaries was that of media content production and distribution.

- (1) Apace Group Limited has capitalised, as an addition to Fixed Assets Investments, £12,330 of legal fees incurred on the purchase of RM Associates Distribution Limited in the period to 30 June 2003, but not invoiced until the year ended 30 June 2004.
- (2) On 22 March 2004, Apace Group Limited acquired 15 ordinary shares of £1 each in Pro-Active Projects Limited increasing the Company's shareholding to 90 per cent.. The shares were acquired at nominal value.
- (3) On 22 March 2004, a new company, Sports and Entertainment Television Limited was incorporated with Apace Group Limited being allotted 100 per cent. of the issued share capital (26 per cent. of this was subsequently transferred to Neil Osbourne). This shareholding is carried in the balance sheet at £740.
- (4) On 26 March 2004, RM Associates Distribution Limited, which was 66 per cent. owned by Apace Group Limited and carried in the balance sheet at £12,331, was purchased by Digital Classics Plc, an AIM listed company. Digital Classics Plc acquired the entire share capital of RM Associates Distribution Limited in consideration for 158 million new ordinary shares of 0.10 pence nominal value in Digital Classics Plc, of which 104,280,000 shares were received by Apace Group Limited in a share for share exchange for its 66 per cent. shareholding in RM Associates Distribution Limited. This represented approximately 14.03 per cent. of the enlarged issued share capital of Digital Classics Plc.
- (5) On 8 April 2004, Apace Group Limited purchased a further 2,000,000 shares in Digital Classics Plc at a price of 0.85 pence per share. This increased the Company's shareholding in Digital Classics Plc to 14.3 per cent.

9. DEBTORS

	2004	2003
	£	£
Due after more than one year		
Amounts due from related undertakings	33,884	1
Due within one year		
Trade debtors	27,716	7,422
Amounts due from related undertakings	99,432	499,999
Prepayments and accrued income	4,534	11,235
	<u>165,566</u>	<u>518,657</u>

Amounts due from related undertakings within the year includes £72,197 (2003: £499,999) due from Digital Classics Distribution Limited (formerly RM Associates Distribution Limited), of which £Nil (2003: £499,999) relates to a loan that is repayable on demand and bears annual interest at 10 per cent. and £72,197 (2003: £Nil), and an amount of £33,883 (2003: £Nil) held in Amounts due from related undertakings after more than one year, relates to management fees charged to Digital Classics Distribution Limited and is interest free. At 30 June 2004, Apace Group Limited had a 14.3 per cent. shareholding in Digital Classics plc, a company of which Didier Stoessel was the chairman, and which owned 100 per cent. of the share capital of Digital Classics Distribution Limited.

Also included in Amounts due from related undertakings is £20,000 (2003: £nil) due from Sports and Entertainment Television Limited and £7,235 (2003: £nil) due from Digital Classics Plc. These amounts are repayable on demand and interest free.

As part of the purchase of 75 per cent. of the ordinary shares of Pro-Active Projects Limited from Sportsworld Media Group plc by Apace Group Limited in June 2002, Apace Group Limited also acquired the working capital loan of £166,000 owed by Pro-Active Projects Limited to Sportsworld Media Group plc for a consideration of £1. The loan is held in Amounts due from related undertakings after more than one year at £1 (2003: £1).

10. CREDITORS

Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	17,407	6,801
Corporation tax	8,725	–
Social security and other taxes	28,743	12,096
Other creditors	1,437	5,722
Accruals and deferred income	22,712	28,544
	<u>79,024</u>	<u>53,163</u>

11. CREDITORS

Amounts falling due after more than one year

	2004	2003
	£	£
Loans	<u>772,410</u>	<u>1,049,771</u>

The loans represent £772,410 (2003: £1,039,771) from the director and majority shareholder of the Company, Didier Stoessel, and £nil (2003: £10,000) from the Company's employee, J Le Fleming. Both loans were interest free and due for repayment after at least 12 months following the date of signing these accounts.

12. SHARE CAPITAL

	2004	2003
	£	£
Authorised, allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit/(loss) for the year	111,594	(131,391)
Shares issued during the year	<u>–</u>	<u>100,000</u>
	111,594	(31,391)
Opening shareholders' funds/(deficit)	<u>(31,391)</u>	<u>–</u>
Closing shareholders' funds/(deficit)	<u>80,203</u>	<u>(31,391)</u>

14. RELATED PARTY TRANSACTIONS

Included in loans (see note 11) is an amount due to the director, Didier Stoessel, of £772,410 (2003: £1,039,771). The loan was unsecured and interest free. The balance at the beginning of the year was the maximum balance that was outstanding during the period.

Included in debtors (see note 9) is an amount due from Sports and Entertainment Television Limited, a subsidiary of the Company, of £20,000 (2003: £nil), an amount due from Digital Classics Plc, a company of which Didier Stoessel was the chairman at 30 June 2004 and in which the Company held an investment at 30 June 2004, of £7,235 (2003: £nil) and an amount due from Digital Classics Distribution Limited (formerly RM Associates Distribution Limited), a subsidiary of Digital Classics Plc, of £106,080 (2003: £499,999).

As part of the purchase of 75 per cent. of the ordinary shares of Pro-Active Projects Limited from Sportsworld Media Group plc by Apace Group Limited in June 2002, Apace Group Limited also acquired the working capital loan of £166,000 owed by Pro-Active Projects Limited to Sportsworld Group plc for a consideration of £1. The loan is held in Amounts due from related undertakings after more than one year at £1 (2003: £1) (see note 9).

During the year, the Company received management fee income of £96,000 (2003: £10,667) and interest of £44,828 (2003: £nil) from Digital Classics Distribution Limited.

During the year, the Company paid rent and service charges of £40,000 (2003: £nil) to Digital Classics Distribution Limited.

15. CONTROLLING PARTY

Didier Stoessel, who as at 30 June 2004 held 88 per cent. of the issued share capital of the Company, is the controlling party.

16. POST BALANCE SHEET EVENTS

On 29 July 2004, a new company, Dynamic Music and Media Limited, was incorporated with Apace Group Limited being allotted 100 per cent. of its issued share capital.

In the period from 26 January 2005 to 22 February 2005, Apace Group Limited sold in tranches its entire shareholding in Digital Classics Plc at an average price of approximately 0.9 pence per share. The Company used the proceeds of this sale to repay £900,000 of the loan due to its director Didier Stoessel. After the repayment the balance of the loan was £288,975. On 22 March 2005, the terms of the loan from Didier Stoessel were amended such that this amount, together with such other sums as may be advanced from time to time by Didier Stoessel will bear interest at 2 per cent. above the HSBC Bank Base Rate and will be secured with a fixed and floating charge over the assets of Apace Group Limited.

On 7 March 2005, Apace Group Limited acquired 16 ordinary shares of £10 each in Sports and Entertainment Television Limited, increasing its shareholding to 90 per cent. The consideration for these shares is yet to be determined, being dependent on future profits of Sports and Entertainment Television Limited.

Yours faithfully

Rawlinson & Hunter

Chartered Accountants and Registered Auditors

Eagle House
110 Jermyn Street
London SW1Y 6RH

PART B: ACCOUNTANTS' REPORT ON PROACTIVE PROJECT LIMITED



Monahans
Chartered Accountants

Clarks Mill
Stallard Street
Trowbridge
Wiltshire
BA14 8HH

The Directors
FTV Group Plc
22 Grosvenor Square
London
W1K 6LF

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8EL

31 March 2005

Dear Sirs

PRO-ACTIVE PROJECTS LIMITED (THE "COMPANY")

Introduction

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the prospectus dated 31 March 2005 (the "Prospectus") of FTV Group Plc.

Basis of preparation

The financial information set out below has been extracted from the audited financial statements of the Company for the year ended 30 June 2004 and the unaudited financial statements of the Company for the year ended 30 June 2003, prepared on the basis set out below, to which no adjustments were considered necessary.

Responsibility

The financial statements are the responsibility of the directors of the Company who approved their issue.

The directors of FTV are responsible for the contents of the Prospectus in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the financial statements for the year ended 30 June 2004. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Pro-Active Projects Limited as at the dates stated and of its results for the periods then ended.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

Turnover

Turnover represents income from television programmes and the rights to show programmes sold during the year net of applicable Value Added Tax.

Other intangible assets

Other intangible assets represent sponsorship rights recorded at cost and are being amortised over the length of the sponsorship agreement.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

- Plant & Machinery – 15% on reducing balance
- Motor Vehicles – 25% on reducing balance

Stocks

Stocks include stock and work in progress.

Stock represents tape stock included at the lower of cost and net realisable value.

Work in progress represents the costs attributable to specific programmes where the sale has not been completed prior to the year end. The costs include the direct salary expenses together with an allocation of attributable overheads. Work in progress does not include the cost of programmes where a regular contract to supply the feature has been agreed as the costs are invoiced as incurred, nor does it include library stock where a sale has already taken place and future sales are uncertain.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

PROFIT AND LOSS ACCOUNTS

		<i>Year ended</i> <i>30 June</i> <i>2004</i> £	<i>Year ended</i> <i>30 June</i> <i>2003</i> £
TURNOVER		861,394	867,916
Cost of sales		308,571	317,175
GROSS PROFIT		<u>552,823</u>	<u>550,741</u>
Administrative expenses		530,017	672,805
OPERATING PROFIT/(LOSS)	1	22,806	(122,064)
Interest receivable and similar income		1,400	2,789
		<u>24,206</u>	<u>(119,275)</u>
Interest payable and similar charges		5,745	17,773
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>18,461</u>	<u>(137,048)</u>
Tax on profit/(loss) on ordinary activities	2	(16,236)	(3,858)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>34,697</u>	<u>(133,190)</u>
Dividends	3	–	69,250
		<u>34,697</u>	<u>(202,440)</u>
Retained profit brought forward		496,419	698,859
RETAINED PROFIT CARRIED FORWARD		<u>£531,116</u>	<u>£496,419</u>

BALANCE SHEET

		<i>30 June 2004</i>		<i>30 June 2003</i>	
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
FIXED ASSETS:					
Intangible assets	4		–		–
Tangible assets	5		449,818		499,948
			<u>449,818</u>		<u>499,948</u>
CURRENT ASSETS:					
Stocks		38,926		10,000	
Debtors	6	201,848		181,606	
Cash at bank and in hand		177,185		194,147	
		<u>417,959</u>		<u>385,753</u>	
CREDITORS: Amounts falling due within one year	7	(134,200)		(173,273)	
NET CURRENT ASSETS:			<u>283,759</u>		<u>212,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			733,577		712,428
CREDITORS: Amounts falling due after more than one year	8	(166,000)		(166,000)	
PROVISIONS FOR LIABILITIES AND CHARGES:	11	(36,261)		(49,809)	
			<u>£531,316</u>		<u>£496,619</u>
CAPITAL AND RESERVES:					
Called up share capital	12		200		200
Profit and loss account			531,116		496,419
SHAREHOLDERS' FUNDS:			<u>£531,316</u>		<u>£496,619</u>

NOTES TO THE FINANCIAL STATEMENTS

1. OPERATING PROFIT/(LOSS)

The operating profit (2003 – operating loss) is stated after charging:

	2004	2003
	£	£
Depreciation – owned assets	80,539	69,919
Depreciation – assets on hire purchase contracts	810	19,222
Sponsorship rights written off	–	9,475
Auditors' remuneration	4,950	–
Foreign exchange differences	14,426	35,308
	<u>149,958</u>	<u>149,671</u>
Directors' emoluments and other benefits etc	<u>149,958</u>	<u>149,671</u>

2. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the years ended 30 June 2003 and 30 June 2004 was as follows:

	2004	2003
	£	£
Current tax:		
Over provision in prior years	(2,688)	(117)
Deferred taxation	(13,548)	(3,741)
Tax on profit/(loss) on ordinary activities	<u>(16,236)</u>	<u>(3,858)</u>

3. DIVIDENDS

	2004	2003
	£	£
Ordinary 'B' shares of £1.00 each		
Interim	–	69,250
	<u>–</u>	<u>69,250</u>

4. INTANGIBLE FIXED ASSETS

	<i>Other intangible assets</i>
	£
COST:	
At 1 July 2002 and 30 June 2004	25,000
	<u>25,000</u>
AMORTISATION:	
At 1 July 2002 and 30 June 2004	25,000
	<u>25,000</u>
NET BOOK VALUE:	
At 30 June 2003 and at 30 June 2004	–
	<u>–</u>

5. TANGIBLE FIXED ASSETS

	<i>Plant and Machinery</i> £	<i>Motor Vehicles</i> £	<i>Totals</i> £
COST:			
At 1 July 2002	922,920	16,436	939,356
Additions	10,937	–	10,937
At 1 July 2003	933,857	16,436	950,293
Additions	31,217	–	31,217
At 30 June 2004	965,074	16,436	981,510
DEPRECIATION:			
At 1 July 2002	349,087	12,117	361,204
Charge for year	88,061	1,080	89,141
At 1 July 2003	437,147	13,196	450,343
Charge for year	80,539	810	81,349
At 30 June 2004	517,686	14,006	531,692
NET BOOK VALUE:			
At 30th June 2004	447,388	2,430	449,818
At 30th June 2003	496,709	3,239	499,948

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<i>Plant and Machinery</i> £	<i>Motor Vehicles</i> £	<i>Totals</i> £
COST:			
At 1 July 2002	355,863	16,436	372,299
Transferred to ownership	(209,482)	–	(209,482)
At 1 July 2003	146,381	16,436	162,817
Transferred to ownership	(146,381)	–	(146,381)
At 30th June 2004	–	16,436	16,436
DEPRECIATION:			
At 1 July 2002	101,949	12,117	114,066
Charge for year	18,142	1,080	19,222
Transferred to ownership	(76,516)	–	(76,516)
At 1 July 2003	43,575	13,196	56,771
Charge for year	–	810	810
Transferred to ownership	(43,575)	–	(43,575)
At 30 June 2004	–	14,006	14,006
NET BOOK VALUE:			
At 30 June 2004	–	2,430	2,430
At 30 June 2003	102,806	3,239	106,045

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Trade debtors	144,099	157,542
Other debtors	–	941
Prepayments & accrued income	57,749	23,123
	<u>201,848</u>	<u>181,606</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Hire purchase contracts	–	41,295
Trade creditors	44,262	35,573
Social security & other taxes	22,809	16,446
Accruals and deferred income	67,129	79,959
	<u>134,200</u>	<u>173,273</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Amounts due to parent undertaking	166,000	166,000
	<u>166,000</u>	<u>166,000</u>

Amounts due to parent undertaking stated at £166,000 are repayable on 30 June 2006 and are interest-free.

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Expiring:		
Within one year	16,198	18,202
Between one and five years	4,839	538
	<u>21,037</u>	<u>18,740</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Hire purchase contracts	–	41,295
	<u>–</u>	<u>41,295</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred taxation	36,261	49,809
<i>Deferred taxation</i>		
	£	£
Balance at start of year	49,809	55,550
Profit and loss account	(13,548)	(3,471)
Balance at end of year	36,261	49,809

Deferred taxation is provided in respect of accelerated capital allowances.

12. CALLED UP SHARE CAPITAL

Authorised:

<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>	2004	2003
			£	£
1,000	Ordinary 'A'	£1.00	1,000	1,000
1,000	Ordinary 'B'	£1.00	1,000	1,000
			<u>2,000</u>	<u>2,000</u>

Allotted, issued and fully paid:

<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>	2004	2003
			£	£
100	Ordinary 'A'	£1.00	100	100
100	Ordinary 'B'	£1.00	100	100
			<u>200</u>	<u>200</u>

13. ULTIMATE PARENT COMPANY

The ultimate parent company is Apace Group Limited, a company registered in England and Wales.

14. RELATED PARTY DISCLOSURES

During the year ended 30 June 2004, the Company raised sales amounting to £21,031 to Digital Classics Distribution Limited, (formerly R M Associates Distribution Limited), a company registered in England and Wales and of which D G P Stoessel is a director. There were no such transactions in the year ended 30 June 2003.

Debtors at 30 June 2004 include £740 due from Digital Classics Distribution Limited.

Yours faithfully

Monahans

Chartered Accountants and Registered Auditors

PART V

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated on 24 September 1999 in England and Wales under the Act with registered number 3848181 as a private company limited by shares with the name Quotemore Limited.
- 1.2 On 19 January 2000 the name of Quotemore Limited was changed to FTV Limited.
- 1.3 On 29 August 2000, the Company re-registered in England and Wales as a public company limited by shares and changed its name to FTV Group plc.
- 1.4 The Company has no subsidiaries (save for Forecourt Television Limited which is in liquidation) or parent company at the date of this document. Following the Acquisition, it will have the following subsidiaries: Apace Group Limited (registered company number 433775); Sports and Entertainment Television Limited (registered company number 5080157); Dynamic Music and Media Limited (registered company number 5192533); and Pro-Active Projects Limited (registered company number 2808327).
- 1.5 As a result of the Acquisition, Didier Stoessel will hold 55.52 per cent. of the issued equity voting capital of the Company and will therefore be able to exercise control over the Company.
- 1.6 The registered office of the Company is 22 Grosvenor Square, London W1K 6LF.
- 1.7 The liability of the members is limited.
- 1.8 The principal legislation under which the Company was incorporated and operates is the Act and the regulations made thereunder.
- 1.9 The accounting reference date of the Company is 30 June.

2. Share Capital

- 2.1 The authorised share capital of the Company at the date of incorporation was £1,000 divided into 1,000 shares of £1 each.
- 2.2 The authorised share capital was subsequently amended as follows:
 - (i) increased to £10,300 divided into 10,300 ordinary shares of £1 each by special resolution passed on 21 December 1999;
 - (ii) increased to £2,500,000 divided into 2,500,000 ordinary shares of £1 each by special resolution passed on 25 August 2000;
 - (iii) the 2,500,000 ordinary shares of £1 were subdivided into 20 ordinary shares of £0.05 each by special resolution passed on 14 September 2000;
 - (iv) increased to £4,000,000 divided into 80,000,000 ordinary shares of £0.05 each by special resolution passed on 14 September 2000; and
 - (v) reduced to £400,000 divided into 80,000,000 shares of £0.005 each by special resolution passed on 30 January 2004, and confirmed by the High Court of Justice of England and Wales on 3 March 2004.

2.3 The authorised and issued share capital of the Company:

- (i) as at the date of this document is:
 - (a) authorised share capital: £400,000 divided into 80,000,000 Ordinary Shares of £0.005 each; and
 - (b) issued share capital (fully paid): £275,281.95 divided into 55,056,390 Ordinary Shares of £0.005 each; and
- (ii) following the issue of the New Ordinary Shares will be:
 - (a) authorised share capital: £8,750,000 divided into 1,750,000,000 Ordinary Shares of £0.005 each; and
 - (b) issued share capital (fully paid): £4,358,615.28 divided into 871,723,056 Ordinary Shares of £0.005 each.

2.4 The authority of the Directors to allot Ordinary Shares:

- (i) as at the date of this document was given pursuant to an ordinary resolution passed on 30 January 2004 under which:
 - (a) the Directors were given authority to allot up to £91,760.65 in nominal amount of relevant securities (i.e. up to 18,352,130 Ordinary Shares) such authority to expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 30 April 2005; and
 - (b) the Directors were empowered to allot up to £13,764 in nominal amount of equity securities (i.e. up to 2,752,800 Ordinary Shares) for cash as if section 89(1) of the Act (which confers rights of pre-emption in respect of the allotment of equity securities (as defined in section 94(2) of the Act) which are, or are to be, paid up in cash) did not apply, such authority to expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 30 April 2005.
- (ii) to enable the issue of the New Ordinary Shares will be given pursuant to resolutions proposed at the Extraordinary General Meeting on 25 April 2005 under which:
 - (a) the Directors will be given authority to allot up to £8,474,718.05 in nominal amount of relevant securities (i.e. up to 1,694,943,610 Ordinary Shares), including the New Ordinary Shares proposed to be allotted and issued in connection with the Acquisition and the Placing. The remaining authority following the Acquisition and the Placing will be up to 878,276,944 Ordinary Shares; and
 - (b) the Directors will be empowered pursuant to Section 95 of the Act to exercise the powers of the Company to allot equity securities (as defined in Section 94(2) of the Act) of the Company pursuant to the authority referred to in paragraph 2.4(ii)(a) as if Section 89(1) of the Act did not apply to the allotment. This authority is limited to:-
 - (i) the allotment of 266,666,666 Ordinary Shares in connection with the Placing;
 - (ii) any such allotment and/or sale of equity securities in connection with an offer (whether by way of rights issue, open offer or otherwise) to the holders of ordinary shares of the Company in proportion (as nearly as may be) to their respective holdings of ordinary shares subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or otherwise or any legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (iii) any such allotment (other than pursuant to paragraphs (ii) a, and b above) of equity securities up to a maximum nominal amount of £1,046,067 (representing 24 per cent of the Enlarged Issued Share Capital).

The authorities and powers referred to in sub-paragraphs 2.4(ii)(a) and 2.4(ii)(b) above expire on the earlier of 15 months from the date of the Extraordinary General Meeting and the conclusion of the next Annual General Meeting.

- 2.5 The provisions of section 89(1) of the Act (which confer rights of pre-emption in respect of the allotment of equity securities (as defined in section 94(2) of the Act) which are, or are to be, paid up in cash) apply to the allotment of unissued Ordinary Shares to the extent that such rights are not disapplied as described in paragraph 2.4(ii) above.

3. Concert Party Details

- 3.1 The names of the Concert Party and their holdings of Ordinary Shares, as they are now and as they will be following the issue of the Consideration Shares and the Placing Shares are, as shown in the table below. Didier Stoessel, Alan Morton, Tommasina Kay and Judith Le Fleming are considered to be acting in concert with each other as they are all shareholders in Apace.

<i>Name</i>	<i>Currently</i>		<i>On Admission</i>	
	<i>Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Didier Stoessel	–	–	484,000,000	55.52%
Judith Le Fleming	–	–	11,000,000	1.26%
Tommasina Maria Isa Kay	–	–	11,000,000	1.26%
Alan Sydney Morton	–	–	44,000,000	5.05%
Total potential controlling shareholding	–	–	550,000,000	63.1%

- 3.2 Didier Georges Philippe Stoessel, of 5, Rue de Phalsbourg 75017 Paris, France, founded Apace in 2002. Didier Stoessel graduated with an Msc from ENSTA, the french engineering school in 1987 and got his MBA degree from INSEAD in 1991. Didier Stoessel joined Merrill Lynch in 1991. He left Merrill Lynch in 1997 as a director-investment banking and was at the time responsible for relationships with French corporates. In particular, he worked on the privatisation of Elf Aquitaine, the oil company and France Telecom. Didier Stoessel joined Hsbc Investment Bank in 1997 as co-head of corporate Finance, became Deputy Chief Executive- Corporate Finance in 1998 and Chief Executive- Corporate Finance in 1999. He left the bank in December 2001. Didier Stoessel has managed Apace on a day to day basis since 2002. He has been responsible for the negotiation and completion of the company's acquisitions. Going forward, Didier Stoessel will use his corporate finance background in particular to further expand the company's activities. He will also be responsible for formulating and implementing the company's strategy and will run the company trading division. He will work closely and support the other members of the senior management team. He will also be involved in trying to secure more senior client relationships.

At completion of the Acquisition, Didier Stoessel will become Executive Chairman and Chief Executive of the Enlarged Group. Tony Vickers will become a Non Executive Director.

- 3.3 Alan Sydney Morton, of Tithe Barn, Acton Turville, Near Badminton GL9 1HW, founded Pro-Active Projects in 1992. Having started as a sports journalist, Alan's career developed through PR, sports sponsorship and event management before 10 years in television production. Alan is Managing Director of Pro-Active Projects. Going forward, Alan Morton will be responsible for the creation and production of new programmes. He will also be involved in maintaining and growing Pro-Active relationships with TV stations and rights holders.
- 3.4 Tommasina Maria Isa Kay, of Wildwood, 2 The Knapp, Dursley GL11 4BT, joined Pro-Active at its inception and was appointed director in 1999. Tommasina's background in international sales has helped develop Pro-Active's portfolio of weekly magazine programmes sold in many countries. As well as sharing the day-to-day running of Pro-Active, Tommasina is also responsible for client liaison and project management on Pro-Active's higher profile work. Going forward, Tommasina Kay will be responsible for growing the distribution and production activities of Pro-Active. She will also be responsible for Pro-Active main clients relationships.

- 3.5 Judith Le Fleming, of 32 Hartington Road, London W4 3UB, has worked as a marketing professional for over 16 years having started her career at Andersen Consulting. Whilst at Andersen, Judith negotiated their Williams Grand Prix sponsorship (now in its 11th year) and ran the global marketing exploitation programme. Judith joined Sir Jackie Stewart's F1 team in 1996. Ford bought Stewart Grand Prix in 2000 and re-branded it Jaguar Racing. Judith was subsequently appointed its marketing director. Judith left Jaguar Racing in 2002 to join Apace and to head up the Apace Sports division. Going forward, Judith Le Fleming will be responsible for managing the current Apace Sports relationships and trying to secure further consulting agreements with rights holders and brands.
- 3.6 No subsidiary of the Company, no pension fund of the Company or any of its subsidiaries, and no bank, financial or other professional adviser of the Company (including stockbrokers, but excluding exempt market makers) or any persons controlling, controlled by or under the same control as such bank, financial or other professional adviser or any person whose investments are managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, owns or controls any shares in the Company.
- 3.7 No agreement, arrangement or understanding (including any compensation arrangement), exists between the Company or any member of the Concert Party or any other person acting in concert with them and any of the Directors, Shareholders, recent directors or recent shareholders of the Company which has any connection with or dependence upon the Proposals.
- 3.8 There is no agreement, arrangement or understanding whereby the beneficial ownership of any New Ordinary Shares to be acquired by the Concert Party pursuant to the Proposals will be transferred to any other person.
- 3.9 No payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

4. Interests held by Directors and others

- 4.1 The interests of the Directors and their immediate families (all of which are beneficial unless otherwise stated) and of connected persons within the meaning of section 346 of the Act, in the issued share capital of the Company as at the date of this document which have been notified to the Company pursuant to section 324 of the Act or are required to be entered into the register of Directors' interests maintained under the provisions of section 325 of the Act, or could with reasonable diligence, be ascertained by the Directors and as they are expected to be immediately following Admission, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:

	<i>As at the date of this document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Anthony Vickers	5,048,320	9.17%	5,048,320	0.58%
Martin Johnston	13,698	0.02%	13,698	0.00%
Michael Morris	nil	–	nil	–

- 4.2 Options have been granted to the Directors to subscribe for Ordinary Shares as follows:

<i>Director</i>	<i>Number of shares</i>	<i>Earliest exercise date</i>	<i>Latest exercise date</i>	<i>Exercise price</i>
Martin Johnston	171,233	19/09/2003	18/09/2010	73p
	250,000	8/09/2004	7/09/2011	16p
	250,000	22/03/2005	21/03/2012	6.5p

- 4.3 There have been no dealings in Ordinary Shares by the Directors and members of the Concert Party, by the directors of Apace or by persons connected with them, during the 12 months prior to the publication of this document. Save as disclosed in paragraphs 3.1 and 4.1 above no Director or member of the Concert Party owns or controls any Ordinary Shares. Neither the Directors nor any members of the Concert Party have any arrangement with any other person in relation to any Ordinary Shares.

- 4.4 As at 30 March 2004 (being the latest practicable date prior to the publication of this document), the Company and the Directors are aware that the following persons (other than any Director or the Proposed Director) are interested in 3 per cent. or more of the issued ordinary share capital of the Company:

<i>Shareholder</i>	<i>As at the date of this document</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued Share capital</i>
Strategic Finance (UK) Limited	16,511,411	29.99
New Star Asset Management	4,475,000	8.13
Mr Dieter Klein	3,400,000	6.18
Michael Luckwell	2,412,000	4.38
Petercam SA	2,412,000	4.38
George Ritchie Gray Esq	2,250,000	4.09
Goldman Sachs International	2,000,000	3.63

- 4.5 Strategic Finance (UK) Limited, who own 16,511,411 Ordinary Shares representing 29.99 per cent. of the existing share capital, and Tony Vickers, who owns 5,048,320 Ordinary Shares representing 9.17 per cent. of the existing share capital, have given irrevocable undertakings to vote in favour of the Resolutions at the EGM. Neither Strategic Finance (UK) Limited nor Tony Vickers have dealt for value in the Ordinary Shares of the Company within the last 12 months of the date of this document.
- 4.6 There have been no dealings in the shares of Apace by FTV or the Directors during the 12 months prior to the publication of this document.

5. Directors' Service Agreements, Letters of Appointment and related details

- 5.1 Martin Johnston is employed on a rolling monthly contract with remuneration of £5,000 per month. The Company has agreed to make him an ex gratia payment of £15,000 on completion of the Acquisition transaction the entitlement to which he has since waived. The current non-executive directors are employed under 12 month rolling contracts with remuneration of £1,000 per annum. The Company has agreed to make ex gratia payments of £30,000 to Pipton Limited, a company controlled by Tony Vickers upon completion of the Acquisition. There are no other terms or conditions applicable to these contracts.
- 5.2 The Company and each of the Directors have agreed to amend their terms of employment/appointment so that with effect from Admission each Director is employed/appointed for a term of 18 months subject to either party having the right to terminate on 3 months' notice. Under these arrangements each of the Directors (other than Martin Johnston) is entitled to £1,000 per annum and Martin Johnston is entitled to £50,000 per annum. The Directors are not entitled to any other benefits. The Company and the Proposed Director have agreed that he will be employed by the Company with effect from Admission for a term of 18 months subject to either party having the right to terminate on 3 months' notice. He will be entitled to a salary of £1,000 per annum and will not receive any other benefits. None of the arrangements described in this paragraph have been reduced to writing. It is proposed that contracts or letters of appointment will be put in place following Admission on the terms described in this paragraph.
- 5.3 Save as disclosed in this paragraph 5 there are no service contracts of any Director or Proposed Director with the Company or any of its subsidiaries where such contracts have more than 12 months to run and none of the service contracts have been amended in the last six months.
- 5.4 Save as disclosed in this paragraph 5, there has been no waiver of emoluments during the financial year immediately preceding the date of this document.
- 5.5 Save as disclosed in this paragraph 5, no contracts of employment with any Director or Proposed Director have been entered into or amended within 6 months prior to the date of this document and there are no provisions for early termination.

5.6 The aggregate remuneration payable and benefits in kind granted to the Directors was £64,856 for the financial year ended 30 June 2004 and is estimated to be £110,000 for the current financial year ending 30 June 2005 under the arrangements in force at the date of this document including the arrangement relating to the Proposed Director.

5.7 The details of those companies and partnerships other than the Company and any of its subsidiaries of which the Directors and Proposed Director have been directors or partners at any time during the five years prior to the date of this document are as follows:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Tony Vickers	Pipton Limited Ubevco Distributors Limited Lawn Crescent Trustee Company (1985) Limited IMN Sponsorship Limited Circa Group Limited Forecourt Television Limited	Camvista Limited Mansfield Marketing Services Limited Gatescreen Limited Milestone Radio Holdings Limited &Summ Limited National Missing Persons Helpline Laser Broadcasting Limited
<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Martin Johnston	Knowle Park (Mayfield) Limited Forecourt Television Limited	None
Michael Morris	Strategic Research Limited	Strategic Finance (UK) Limited MDI Inc.(formerly Ultrak Inc.) Naty AB
Didier Stoessel	DS Management Services Limited Apace Group Limited Pro-Active Projects Limited Sports and Entertainment Television Limited Dynamic Music and Media Limited	Digital Classics plc Digital Classics Distribution Limited Digital Classics Distribution Rights Limited HSBC Investment Bank Holdings plc HSBC Investment Residuary Limited HSBC Securities (Japan) Limited The Thames Fund Limited British American (Holdings) Limited (in liquidation)

5.7.1 Each of Tony Vickers and Martin Johnston are directors of Forecourt Television Limited which went into creditors voluntary liquidation on 17 October 2002. The shortfall to creditors is estimated at £338,875.00.

5.8 Save as disclosed in paragraph 5.7 above, at the date of this document, no Director or Proposed Director:

5.8.1 has any unspent convictions in relation to any indictable offences; or

5.8.2 has been bankrupt or entered into an individual voluntary arrangement; or

5.8.3 was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or

5.8.4 has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or

5.8.5 has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding a receivership of any assets of such partnership; or

5.8.6 has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

6. Middle Market Quotations

The closing middle market quotations for Ordinary Shares, as derived from the AIM Appendix of the London Stock Exchange Daily Official List, on the first dealing day of each of the six months prior to the publication of this document, and on 30 March 2005, being the latest practicable date prior to publication of this document, were:

1 October 2004	1.175p
1 November 2004	1.15p
1 December 2004	1.15p
4 January 2005	1.125p
1 February 2005	1.475p
1 March 2005	1.5p
30 March 2005	1.35p

7. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's principal object is to carry on business as a general commercial company.

8. Articles of Association

A summary of the provisions of the Articles concerning certain of the rights attaching to the Ordinary Shares, is set out below.

a. Redemption

The Company may (subject to certain limitations) issue redeemable shares or purchase its own shares (including any redeemable shares).

b. Variations of share rights

Subject to the provisions of the Act, the rights attached to any class of shares may be modified, abrogated or varied in such manner (if any) as may be provided by those rights, or with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a general meeting of the holders of the shares of that class.

The rights attached to any class of shares shall not (unless otherwise provided) be deemed to be varied by an issue of shares which do not rank in priority to such class of shares or by the purchase or redemption by the Company of any of its shares.

c. Transfers of shares

All transfers of shares in certificated form must be in writing in the usual form or any other form permitted by the Stock Transfer Act 1963 or approved by the Directors. The instrument of transfer must be signed by or on behalf of the transferor and, if the shares being transferred are not fully paid, by or on behalf of the transferee.

Subject to the Act (and other applicable legislation) and the Articles, members may transfer uncertificated shares by means of the relevant system (as defined in the Articles).

d. Registration of transfers of shares

Subject to the Act (and other applicable legislation), the Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer:

- (i) of a share which is not a fully paid share provided that such refusal does not prevent dealings in that class of shares taking place on an open and proper basis; or
- (ii) of a certificated share unless the instrument of transfer is in respect of only one class of share, is duly stamped (as required) and is deposited at the Company's registered offices or such other place as the Directors shall direct together with the relevant share certificate(s) and any additional evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances permitted by the Uncertificated Securities Regulations 1995.

The Directors are not bound to register a transfer of any share in favour of more than four persons as joint holders.

If the Directors refuse to register a transfer of shares they are required to send a notice of such refusal to the transferee within two months of the transfer being received by the Company.

e. *Voting*

At a general meeting or meeting of members of a class, every member present in person has, on a show of hands, one vote and, on a poll one vote for each share held by him.

A poll may be directed by the Chairman or demanded by at least five members present in person or by proxy and entitled to vote, or one or more members representing not less than one-tenth of the total voting rights of all members having the right to vote at such meeting, or one or more members representing shares which confer a right to vote at the meeting and on which an aggregate sum has been paid of not less than one-tenth of the total sum paid up on all shares conferring that right.

Members shall not be entitled to attend or vote at general meetings in respect of shares where disenfranchised because of (a) non-payment of calls or other money due and payable in respect of such shares or (b) non-compliance with a statutory notice under section 212 of the Act requiring disclosure as to information in connection with the beneficial ownership of such shares.

Where a share is held jointly, only the vote of the most senior holder who votes will be accepted, seniority being determined by the order in which names stand in the register of members.

In the case of an equality of votes, the Chairman shall have a casting vote in addition to any other vote he may have.

Any corporation which is a member may authorise a person to act as its representative at meetings and to exercise any powers that the corporation would exercise if it were an individual member.

Any member may appoint a proxy, who need not be a member, to vote on his behalf. The instrument appointing a proxy must be deposited not less than 48 hours before the time of the meeting in question.

f. *Dividends*

Subject to the Act (and other applicable legislation) and any special rights as to dividends attached to any shares issued by the Company in the future, the Shareholders are entitled *pari passu* amongst themselves, but in the proportion to the amounts paid up on the shares held by them, to share in the whole of the profits of the Company paid out as dividends.

Subject to the Act (and other applicable legislation) and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the Shareholders but no dividend may exceed the amount recommended by the Directors.

Subject to the Act (and other applicable legislation), the Directors may pay interim dividends to the members. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on

shares conferring preferred rights with regard to dividend unless at the time of payment a preferential dividend is in arrear.

There is no fixed date on which an entitlement to a dividend arises.

A general meeting declaring a dividend may, if the Directors so recommend, direct that such dividend shall be satisfied in whole or in part by the distribution of assets.

g. *Winding up*

On a winding up of the Company, the assets remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be applied in repaying to members the amounts paid up on their shares and the balance (if any) shall be distributed amongst such members in proportion to the numbers of shares held by them, subject to the rights of the holders of any shares issued on special conditions.

If authorised by an extraordinary resolution of the Company, assets may be divided among the members *in specie* or be vested in trustees for the benefit of such members, but so that no member shall be compelled to accept any shares on which there is any liability.

h. *Pre-emption rights on issues of new shares*

The articles contain no special provisions on pre-emption and therefore the provisions contained in the Act apply.

9. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or by the Apace Group within the period of two years immediately preceding the date of this document and are, or may be, material. There are no other contracts entered into by the Company or the Apace Group which include an obligation or entitlement which is material to the Company or the Apace Group at the date of this document.

9.1 A share sale agreement dated 31 March 2005 between (1) the Vendors and (2) the Company and (3) Seymour Pierce under which the Company has agreed, conditional upon *inter alia*, Admission, to purchase the entire issued share capital of Apace from the Vendors in consideration for the allotment and issue by the Company of the Consideration Shares to the Vendors in the proportions set out in paragraph 3 of Part V of this document.

Under this agreement, the Proposed Director has given certain warranties and the Vendors have agreed not to sell or otherwise dispose or agree to dispose of any other interests in their shares in the Company (except in certain specified situations as set out in Part I of this document) within a year of the completion of this agreement (such completion to occur upon Admission), have agreed to certain restrictive covenants (that they will not participate in a business that competes with the Company) and have agreed to run Apace Group in the ordinary course between signing and completion of this agreement.

9.2 A placing agreement dated 31 March 2005 between (1) the Company, (2) the Directors and Proposed Director and (3) Seymour Pierce pursuant to which Seymour Pierce has agreed as agent for the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement is conditional, amongst other things, upon Admission becoming effective by not later than 8.00 a.m. on 26 April 2005 (or such later time and/or date as the Company and Seymour Pierce may agree, being not later than 8.00 a.m. on 15 May 2005).

In consideration of their services in connection with the Placing, the Company will pay to Seymour Pierce a fee of £100,000 and commission of 4 per cent. of the aggregate value at the Issue Price of the Placing Shares in respect of which Admission is achieved and payment is received. The Placing Agreement contains certain warranties given by the Company, the Directors and Proposed Director to Seymour Pierce as to the accuracy of the information contained in this document and other matters

relating to the Group and its businesses. In addition, the Company has given an indemnity to Seymour Pierce in respect of any liabilities resulting from the carrying out by Seymour Pierce of its obligations or services under or in connection with this agreement.

Seymour Pierce is entitled to terminate the Placing Agreement in specific circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or of any of the warranties contained in it or if any event of *force majeure* arises prior to Admission.

- 9.3 A nominated adviser agreement dated 31 March 2005 between (1) the Company, (2) the Directors and Proposed Director and (3) Seymour Pierce by which Seymour Pierce is appointed as nominated adviser to the Company for the purposes of the AIM Rules on and from Admission for an initial period of 12 months and thereafter subject to 3 months notice by either party. Seymour Pierce will receive a fee of £15,000 per annum (escalating to £20,000 in the subsequent year) plus VAT and expenses incurred, such fee to be paid in advance in 4 equal instalments. The Company gives various undertakings, covenants and an indemnity to Seymour Pierce, including, *inter alia*, that the Company undertakes to comply with the AIM Rules.
- 9.4 A broker agreement dated 31 March 2005 between (1) the Company (2) the Directors and Proposed Director and (3) Seymour Pierce by which Seymour Pierce is appointed as nominated broker to the Company for the purposes of the AIM Rules on and from Admission for an initial period of 12 months and thereafter subject to 3 months notice by either party. Seymour Pierce will receive a fee of £15,000 per annum plus VAT and expenses incurred, such fee to be paid in advance in 4 equal instalments. The Company gives various undertakings, covenants and an indemnity to Seymour Pierce, including, *inter alia* that the Company and the Directors undertake to comply with the AIM Rules.
- 9.5 A share sale agreement dated 27 February 2004 between Apace (1) Edwin Neil Mundy (2) Didier Stoessel (3) and Digital Classics Plc under which Apace and Edwin Mundy (“the RMA Vendors”) disposed of the entire issued share capital of RM Associates Distribution Limited to Digital Classics Plc (“DC”) in consideration for the issue by DC of a number of new ordinary shares to each of the RMA Vendors (Apace received 66 per cent. of the consideration shares and Mr Mundy received 34 per cent.). The RM Vendors have given a number of warranties in relation to RM Associates Distribution Limited. Apace has since disposed of the shares it received in the capital of DC under this agreement.
- 9.6 On 14 October 2004 Apace transferred 26 of the 100 ordinary shares of £10 each in the capital of SET held by it to Neil Osborne. Pursuant to a letter dated 4 March 2005 from Apace to Neil Osborne Apace has agreed that, in consideration for the transfer by Neil Osborne of 16 shares in the capital of SET to Apace, Apace shall (conditionally on completion of the Acquisition) procure that there are transferred to Neil Osborne such number of Ordinary Shares in the capital of the Company as are equal in value (based on an average mid-market price for such Ordinary Shares) to 65 per cent. of the net profit before tax of SET in the calendar year 2005 or 2006. On 7 March 2005 Neil Osborne transferred 16 of the shares in SET back to Apace.
- 9.7 Under a letter dated 7 June 2002 (as amended) from Apace to Alan Morton (“AM”) and Tomassina Kay (“TK”) Apace granted a put option to AM and TK and AM and TK granted a call option to Apace over the 10 per cent. of the issued share capital of Pro-Active held by AM and TK. These options are exercisable at the end of Pro-Active 2005-06 financial year. The exercise price (up to a maximum of £200,000) is dependent upon the pre-tax profits of Pro-Active for the financial years 2003-04 to 2005-06.
- 9.8 As at 22 March 2005 there were outstanding loans between Didier Stoessel and Apace in the aggregate amount of £288,974.75. Didier Stoessel and Apace agreed pursuant to a loan agreement entered into by them on 22 March 2005 to vary the terms which governed such loans. This agreement provides that the interest on the loans is to be 2 per cent. above the base rate of HSBC Bank plc (from time to time) per annum. The loans are repayable in instalments together with accrued interest. As security for the amount owing under the loans, Apace created a fixed and floating charge over its assets in favour of Didier Stoessel on 22 March 2005.

10. Working Capital

The Directors are of the opinion that, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Enlarged Group, following Admission, will be sufficient for its present requirements, that is for at least the next twelve months from the date of Admission.

11. Litigation

There are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company or any of its subsidiaries or by the Apace Group which are having or may have a significant effect on the Group's financial position.

12. Taxation of dividends

- a. The following summary is only intended as a general guide to the taxation of dividends under the law of the United Kingdom and what is understood to be Inland Revenue practice applicable at the date of this document. It is addressed to potential Shareholders who are resident or ordinarily resident in the United Kingdom holding Ordinary Shares as an investment and who are the beneficial owners of such Ordinary Shares, and not to special classes of potential Shareholders such as insurance companies and dealers in securities. Its applicability will depend upon the particular circumstances of a prospective Shareholder.
- b. Potential Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.
- c. Under current United Kingdom taxation legislation the Company is not required to withhold tax from dividend payments.
- d. *Individual Shareholders*

Individual Shareholders who are resident in the United Kingdom for tax purposes and who receive dividends paid by the Company, will be entitled to a tax credit. The amount of the tax credit is currently one ninth of the cash dividend or 10 per cent. of the aggregate of the cash dividend and the associated tax credit.

Such individual Shareholders will be liable to income tax on an amount of income equal to the aggregate of the dividend and the associated tax credit. This amount of income is treated as the top slice of an individual's income and, depending upon the individual's circumstances, the individual will be subject to income tax at the Schedule F ordinary rate (currently 10 per cent.) to the extent that such income is below the threshold for higher rate tax in the relevant tax year or at the Schedule F upper rate (currently 32.5 per cent.) to the extent that such income is above that threshold. The tax credit will be offset against the individual's total income tax liability. As a result, an individual Shareholder who, after taking into account such dividend income, is subject to United Kingdom income tax only at the starting rate or the basic rate will have no further liability to income tax. Higher rate taxpayers will have an additional tax liability of an amount equal to 22.5 per cent. of the aggregate of the cash dividend and the associated tax credit (which is equal to 25 per cent. of the cash dividend received).

United Kingdom resident Shareholders whose income tax liability is less than the tax credit are not entitled to claim a repayment of all or part of the tax credit associated with dividend paid by the Company. The amount of the tax credit in respect of a dividend paid which constitutes income of a pension fund, life assurance company or charity will not be repaid.

- e. *Corporate Shareholders*

United Kingdom resident corporate Shareholders will not generally be liable to United Kingdom corporation tax on any dividends received from the Company. Such Shareholders will not be able to claim a repayment of the tax credit associated with any such dividend.

13. General

13.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business other than as set out in Parts I or II.

13.2 There has been no material change in the financial or trading position of the Company since 30 June 2004, the date to which its most recent audited accounts have been drawn up.

13.3 Seymour Pierce Limited has given and has not withdrawn its written consent to the inclusion of references to its name in the form and context in which they appear.

13.4 The estimated expenses of Admission and effecting the Placing which are payable by the Company are approximately £400,000, including the estimated placing commission payable to Seymour Pierce by the Company as referred to in paragraph 9.2 above and including any irrecoverable VAT to be paid by the Company. Accordingly, assuming that the Placing proceeds for the New Ordinary Shares (before expenses) are £2 million, the net proceeds of the Placing of the New Ordinary Shares will be approximately £1.6 million. The net proceeds will be used for the Group's ongoing working capital purposes.

13.5 For the purposes of paragraph 21(a) of Part IV of Schedule 1 to the POS Regulations the minimum amount which must be raised for the Company pursuant to the Placing is £2 million, in respect of each of the following:

- (i) purchase price of property £nil;
- (ii) commissions and expenses (excluding VAT) £400,000;
- (iii) repayment of monies borrowed in respect of (i) and (ii) above £nil; and
- (iv) working capital £1.6 million.

There are no amounts to be provided for otherwise than from the proceeds of the Placing in respect of matters specific in this paragraph.

13.6 The arrangements for payment of the Placing Shares are set out in the placing letters referred to in the Placing Agreement. All monies received from applicants will be held by Seymour Pierce prior to delivery of the Ordinary Shares.

13.7 Except for fees payable to professional advisers whose names are set out in the section headed "Directors, Secretary, Proposed Director and Advisers" on page 3 and payments made to trade suppliers no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within 12 months preceeding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

13.8 The financial information contained in this document does not constitute full statutory accounts as referred to in section 240 of the Act.

13.9 The Issue Price represents a premium of 0.25p over the nominal value of 0.5p per Ordinary Share.

14. Documents available for inspection

Copies of the following documents may be inspected at the offices of the Company, 22 Grosvenor Square, London W1K 6LF during normal business hours on any weekday (Saturdays and public holidays excepted) until immediately prior to the EGM:

14.1 The Memorandum and Articles of Association of FTV;

14.2 The Memorandum and Articles of Association of Apace Group Limited;

14.3 The published audited report and accounts of FTV for the periods ending 30 June 2002, 2003 and 2004;

- 14.4 The audited accounts for Pro-Active for the year ended 30 June 2004 and the unaudited financial statements of Pro-Active for the year ended 30 June 2003;
- 14.5 The published unaudited financial statements of Apace for the period ended 30 June 2003 and the audited report and accounts of Apace for the period ending 30 June 2004;
- 14.6 The Accountants' reports as set out in Parts III and IV of this document;
- 14.7 The written consent referred to in paragraph 13 above;
- 14.8 The material contracts referred to in paragraph 9 above; and
- 14.9 The irrevocable undertakings referred to in Part I of this document.
- 14.10 The Directors' service contracts and employment arrangements as described in paragraph 5 of this document.

Dated 31 March 2005

FTV GROUP PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of FTV Group plc (the "Company") will be held at 9.40 a.m. on Monday, 25 April 2005 at the offices of Seymour Pierce Limited, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL for the purpose of considering and, if thought fit, passing the following resolutions of which the first resolution ("Resolution 1") will be proposed as an ordinary resolution, the second resolution ("Resolution 2") will be proposed as a special resolution and the third resolution ("Resolution 3") will be proposed as an ordinary resolution taken on a poll:

ORDINARY RESOLUTION

1. **THAT:**

- (a) conditional on Shareholder approval of Resolution 3, the proposed acquisition by the Company of the entire issued share capital of Apace Group Limited on the terms and conditions of the Acquisition Agreement (as defined in the prospectus and circular to shareholders issued by the Company and dated 31 March 2005 (the "Prospectus"), a copy of which has been produced to this meeting and initialled by the Chairman for the purposes of identification only) and all other related agreements and documents ancillary thereto (together the "Acquisition Documents") be and is hereby approved;
- (b) the directors of the Company (the "Directors") be authorised to take any and all other action as they consider necessary or appropriate in order to execute, deliver and carry into effect the Acquisition Documents with such modifications, variations, revisions, waivers or amendments to the terms and conditions of the Acquisition Documents (provided such modifications, variations, revisions, waivers or amendments are not, in the opinion of the Directors, of a material nature) as they shall deem necessary, expedient or appropriate;
- (c) the authorised share capital of the Company be increased from £400,000 divided into 80,000,000 ordinary shares of £0.005 each ("Ordinary Shares") to £8,750,000 divided into 1,750,000,000 Ordinary Shares by the creation of an additional 1,670,000,000 Ordinary Shares;
- (d) in place of all existing authorities, the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80) up to an aggregate nominal amount of £8,474,718.05 for a period expiring (unless previously revoked, varied or renewed) 15 months after the date on which this Resolution is passed, or, if sooner, the end of the next annual general meeting of the Company, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after this authority expires and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired;
- (e) conditionally upon the admission of the Company's then entire issued share capital to trading on AIM becoming effective in accordance with paragraph 6 of the rules thereof, the Company be generally authorised pursuant to section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of Ordinary Shares on such terms and in such manner as the Directors shall determine, provided that:
 - (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 130 million;
 - (ii) the maximum price which may be paid for each Ordinary Share shall be 5 per cent. above the average of the middle market quotations for an Ordinary Share (as derived from the daily official list of London Stock Exchange plc) for the five business days immediately before the day on which the purchase is made (in each case exclusive of expenses);
 - (iii) the minimum price which may be paid for each Ordinary Share shall be £0.01; and

- (iv) this authority (unless previously revoked, varied or renewed) shall expire 15 months from the date on which this Resolution is passed or, if sooner, the end of the next annual general meeting of the Company except in relation to the purchase of Ordinary Shares the contract for which was concluded before such date and which will or may be executed wholly or partly after such date.

SPECIAL RESOLUTION

2. **THAT:**

- (a) conditional upon Resolution 1 being passed, in place of all existing authorities, the Directors be generally and unconditionally authorised pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) to 94(3A) of the Act) for cash, pursuant to the authority conferred by paragraph (d) of Resolution 1 as if section 89(1) of the Act did not apply to such allotment, provided that this power shall expire 15 months from the date on which this Resolution is passed or, if sooner, the end of the next annual general meeting of the Company. This power shall be limited to the allotment of:
- (i) 266,666,666 Ordinary Shares in connection with the Placing as defined in the Prospectus;
 - (ii) equity securities in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - (iii) equity securities otherwise than pursuant to paragraph 2(a)(i) and (ii) of this Resolution 2, up to an aggregate nominal amount of £1,046,067;

but the Company may make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first part of this paragraph of this Resolution 2 the words “pursuant to the authority conferred by paragraph (d) of Resolution 1” were omitted;

- (b) conditional upon Resolution 1 being passed and upon the completion of the Acquisition Agreement referred to in Resolution 1(a), the name of the Company be changed to Apace Media Group plc.

ORDINARY RESOLUTION TO BE PASSED ON A POLL

3. THAT conditional on the passing of Resolutions 1 and 2, the waiver by the Panel on Takeovers and Mergers of any requirement for any member of the Concert Party (as defined in the Prospectus), who will together control 63.1 per cent. of the voting share capital following Admission, to make a general offer under Rule 9 of the City Code on Takeovers and Mergers which would otherwise arise by reason of the issue of New Ordinary Shares in connection with the Acquisition (as defined in the Prospectus) be approved.

By order of the Board

Martin Johnston
Secretary

31 March 2005

Registered Office:

22 Grosvenor Square
London W1K 6LF

Registered in England

Registered no. 3848181

NOTES

1. If you wish to appoint a person other than the Chairman then insert his/her name and delete the words “the Chairman of the Meeting”.
2. In the case of joint holders, the signature of the first named in the Register of Members will be accepted to the exclusion of all others.
3. Please insert an ‘X’ in either the ‘FOR’ or ‘AGAINST’ box. If both boxes are left blank, the proxy will vote or abstain as he/she thinks fit.
4. In the case of a corporation, the form of proxy should be under its common seal or under the hand of an officer or attorney duly authorised.
5. A proxy need not also be a member of the Company.
6. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or an office or notorially certified copy thereof, must be deposited at or posted to the registrars of the Company, Capita Registrars, Proxy Department, PO Box 25, Beckenham, Kent BR3 4TU, not less than 48 hours before the meeting or any adjournment thereof.
7. The summaries of the Resolutions are for guidance only. You are advised to read the accompanying Circular and Notice of Meeting carefully.
8. The return of this form of proxy will not prevent a shareholder from attending the meeting and voting in person if he/she so wishes.

