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OPTIMAL LIMITED

Report and Accounts

Year Ended

31 October 2006

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OPTIMAL LIMITED

Report and accounts for the year ended 31 October 2006

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Directors

M Lench
H Lench

Secretary and registered office

H Lench, Commonwood Farm, Commonwood, Kings Langley, Herts WD4 9BB

Company number

2931957

Accountants

CKA Consultancy Limited, PO Box 2347 Reading, RG1 7WH

OPTIMAL LIMITED

Report of the directors for the year ended 31 October 2006

The directors present their report together with the accounts of the company for the year ended 31 October 2006

Results and dividends

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

The dividend for the period is £nil

Principal activity and trading review.

The principal activity of the company was the purchase and renovation of residential properties for both re-sale and investment

The directors are pleased to report a successful year's trading performance

Events since the end of the year

There have been no events since the end of the year that materially affect the position of the company

Directors

The directors of the company throughout the year and their interests in the ordinary share capital of the company at the end of the year were.

	At 31 October 2006 Ordinary shares of £1 each	At 31 October 2005 Ordinary shares of £1 each
M Lench	1	1
H Lench	1	1

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the accounts

OPTIMAL LIMITED

Report of the directors for the year ended 31 October 2006 *(Continued)*

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

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'H Lench', written over a horizontal line.

H Lench
Director

Date: 26 November 2007

OPTIMAL LIMITED**Profit and loss account for the year ended 31 October 2006**

	Note	Year ended 31 October 2006	Year ended 31 October 2005 £
Turnover	2	251,295	119,925
Cost of sales		(36,602)	-
Gross profit	3	214,693	119,925
Administrative expenses		(42,197)	(31,047)
Operating profit	3	172,496	88,878
Interest receivable		200	-
Interest payable		(39,613)	(40,602)
Profit on ordinary activities before taxation		133,083	48,276
Taxation on profit from ordinary activities	4	(30,079)	(9,202)
Profit on ordinary activities after taxation		103,004	39,074
Dividends	5	(3,000)	-
		<u>100,004</u>	<u>39,074</u>

Continuing operations

Turnover and operating profits derive wholly from continuing operations

Total recognised gains and losses

There were no recognised gains and losses either in the current or preceding year other than those recorded in the profit and loss account

The notes on pages 6 to 11 form part of these accounts

OPTIMAL LIMITED**Balance sheet at 31 October 2006**

	Note	31 October 2006		31 October 2005	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		2,170,144		1,970,192
Current assets					
Property stocks			-		35,000
Debtors	7		1,615		1,095
Cash at bank and in hand			97,378		6,889
			<u>98,993</u>		<u>42,984</u>
Creditors: amounts falling due within one year	8		<u>(254,476)</u>		<u>(235,223)</u>
Net current liabilities			<u>(155,483)</u>		<u>(192,239)</u>
Total assets less current liabilities			<u>2,014,661</u>		<u>1,777,953</u>
Creditors: amounts falling due After more than one year	9		(551,544)		(614,840)
Provision for liabilities and charges					
Deferred taxation	10		(15)		(15)
			<u>1,463,102</u>		<u>1,163,098</u>
Capital and reserves					
Called up share capital	11		2		2
Revaluation reserve	12		1,239,699		1,039,699
Profit and loss account	12		223,401		123,397
Shareholders' funds			<u>1,463,102</u>		<u>1,163,098</u>

Statement by the Directors required by section 249B(4) of the Companies Act 1985

During the financial year ended 31 October 2006, the company was entitled to the exemption from audit granted by section 249A(1) of the Companies Act 1985

No notice under section 249B(2) of the Companies Act 1985 from the shareholders requiring an audit of the accounts for the financial year has been deposited at the company's registered office

The notes on pages 6 to 11 form part of these accounts

OPTIMAL LIMITED

Balance sheet at 31 October 2006 (continued)

Statement by the Directors required by section 249B(4) of the Companies Act 1985 (Continued)

The directors acknowledges their responsibility for

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, as far as they are applicable to the company

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

They were approved by the Board on 26 November 2007
and signed on its behalf by



M Lench
Director



The notes on pages 6 to 11 form part of these accounts

OPTIMAL LIMITED

Notes forming part of the accounts for the year ended 31 October 2006

1 Accounting policies

The following accounting policies have been applied consistently in dealing with the items that are considered material in relation to the company's accounts

Basis of preparation

The accounts have been prepared under the historical cost accounting rules, and in accordance with the Financial Reporting Standard for Smaller Entities [effective January 2005]

Turnover

Turnover represents sales of services to outside customers at invoiced amounts less value added tax.

Fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided by the company to write off the cost, less the estimated residual value of its tangible fixed assets by equal annual instalments, over their useful economic lives as follows

Office equipment	25% reducing balance
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Freehold properties

The freehold properties are re-valued annually to open market value, on the basis of existing use, and no depreciation is provided. During 2002 [in the case of the property known as Park Road] and 2007 [in the case of the property known as Hollybank], the valuation was carried out by a qualified, independent valuer. The directors consider that this accounting policy, which complies with SSAP 19, results in the financial statements giving a true and fair view despite departing from the requirements of the Companies Act 1985. In the opinion of the directors no meaningful quantification of the effect of this departure can be made. The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Property stocks

Property stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each property to its present condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition for corporate tax purposes

OPTIMAL LIMITED

Notes forming part of the accounts for the year ended 31 October 2006 (*Continued*)

2 Turnover

Turnover is wholly attributable to the company's continuing principal activity and has arisen entirely within the United Kingdom

3 Operating profit

	Year ended 31 October 2006 £	Year ended 31 October 2005 £
This is arrived at after charging:		
Depreciation	48	64
Directors' remuneration	-	2,500
	<u> </u>	<u> </u>
Number of directors who are accruing benefits under money purchase pension schemes	-	-
	<u> </u>	<u> </u>

4 Taxation on profits from ordinary activities

	Year ended 31 October 2006	Year ended 31 October 2005 £
Current tax		
Corporation tax charge	29,841	9,096
Adjustment in respect of previous year	238	111
Deferred tax	-	(5)
	<u> </u>	<u> </u>
	30,079	9,202
	<u> </u>	<u> </u>

5 Dividends

	Year ended 31 October 2006	Year ended 31 October 2005 £
Ordinary dividend on equity shares	3,000	-
	<u> </u>	<u> </u>

OPTIMAL LIMITED

Notes forming part of the accounts for the year ended 31 October 2006 (Continued)

6 Tangible fixed assets

	Freehold Properties £	Office Equipment £	Total £
<i>Cost</i>			
At 1 November 2005	1,970,000	2,419	1,972,419
Revaluations	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2006	1,970,000	2,419	1,972,419
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 November 2005	-	2,227	2,227
Charge for the year	-	48	48
	<hr/>	<hr/>	<hr/>
At 31 October 2006	-	2,275	2,275
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 October 2006	1,970,000	144	1,970,144
	<hr/>	<hr/>	<hr/>
At 31 October 2005	1,970,000	192	1,970,192
	<hr/>	<hr/>	<hr/>

Freehold properties are investment properties valued at their historic / re-valued cost in accordance with note 1(e) to the accounts. A qualified, independent valuer carried out revaluations following the year ended 31 October 2002 [in the case of the property known as Park Road] and 2006 [in the case of the property known as Hollybank]. The directors consider that the values were relevant at the balance sheet date.

The historic cost / net book value of the investment properties, and analysis by year of valuation is

	£
Historical cost of re-valued investment properties	930,301
Year ended 31 October 1998	33,415
Year ended 31 October 1999	408,284
Year ended 31 October 2002	598,000
Year ended 31 October 2006	200,000
	<hr/>
Value at 31 October 2006	2,170,000
	<hr/>

OPTIMAL LIMITEDNotes forming part of the accounts for the year ended 31 October 2006 (*Continued*)**7 Debtors**

	31 October 2006	31 October 2005 £
Accrued rentals	1,615	1,095

8 Creditors: amounts falling due within one year

	31 October 2006	31 October 2005 £
Bank loans [secured]	61,659	60,021
Other creditors	1,802	-
Amounts due to related companies	139,299	144,115
Directors' current accounts	148	3,148
Current taxation	38,938	11,720
Deposits held	10,630	10,735
Accruals and deferred income	2,000	5,484
	254,476	235,223

9 Creditors: amounts falling due after one year

	31 October 2006	31 October 2005 £
Bank loans [secured]	551,544	614,840
	551,544	614,840
Amounts repayable by instalments after five years	304,909	374,756

OPTIMAL LIMITED**Notes forming part of the accounts for the year ended 31 October 2006 (Continued)****10 Deferred taxation**

	£
Balance at 1 November 2005	15
Amount transferred to the profit & loss account	-
	<hr/>
Balance at 31 October 2006	15
	<hr/>

The amounts provided are.

	Year ended 31 October 2006 £	Year ended 31 October 2005 £
Accelerated capital allowances	15	15
	<hr/>	<hr/>

11 Share capital

	Authorised 31 October 2006 & 2005		Allotted, called up and fully paid 31 October 2006 & 2005	
	No	£	No	£
Ordinary shares of £1 each	100	100	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

12 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 November 2005	1,039,699	123,397
Profits in the year	-	103,004
Dividends paid	-	(3,000)
Revaluations	200,000	-
	<hr/>	<hr/>
At 31 October 2006	1,239,699	223,401
	<hr/>	<hr/>

OPTIMAL LIMITED

Notes forming part of the accounts for the year ended 31 October 2006 (*Continued*)

13 Contingent liabilities

During the year the company provided a guarantee for the bank facility of £150,000 for Optimal Media Sales Limited by way of a security against the freehold property Hollybanks.

There were no contingent liabilities at 31 October 2005.

14 Commitments

There were no capital or other financial commitments at 31 October 2006 or 31 October 2005

15 Related party transactions

At 31 October 2006 the company owed £139,299 (31 October 2005: £144,115) to Optimal Media Limited, which is controlled by M Lench & H Lench. There were no trading transactions between the two companies during the year.

The company is controlled by its directors M Lench & H. Lench who together own all of the share capital in the company.

There were no material transactions between the company and its directors requiring disclosure by CA 1985 or Financial Reporting Standard No. 8, other than those disclosed in note 8 to the accounts.