

OPTIMAL LIMITED
DIRECTORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2001



COMPANY NO : 2931957

OPTIMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2001

The directors presents their report and the company's accounts for the period ended 31 October 2001.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors of the company during the period and their interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	31/10/2001	31/10/2000
M Lench	1	1
H Lench	1	1

DIRECTORS RESPONSIBILITIES

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

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

OPTIMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)

DIRECTORS RESPONSIBILITIES (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 him 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.

SMALL COMPANY EXEMPTIONS

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

By order of the Board.



Mrs H Lench
Secretary

29 August 2002

OPTIMAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2001**

	Notes	2001 £	2000 £
TURNOVER	2	113,296	119,892
Administrative expenses		(54,714)	(84,050)
		<hr/>	<hr/>
OPERATING PROFIT	3	58,582	35,842
Interest receivable		-	2
Loan interest payable		(49,036)	(50,557)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,546)	(14,713)
Taxation on loss on ordinary activities	4	(1,961)	(335)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(11,507)	(15,048)
		<hr/>	<hr/>

The company's turnover and other items credited or charged in arriving at its operating profit arose entirely from its continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2001**

	Notes	2001 £	2000 £
Loss for the year		(11,507)	(15,048)
Unrealised surplus on revaluation of properties		-	-
		<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		(11,507)	(15,048)
		<hr/>	<hr/>

OPTIMAL LIMITED**BALANCE SHEET AS AT 31 OCTOBER 2001**

	Notes	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	5	1,372,608	1,372,811
CURRENT ASSETS			
Property stocks	6	35,000	35,000
Debtors	7	-	6,792
Cash at bank & in hand		776	3,657
		<hr/>	<hr/>
		35,776	45,449
CREDITORS - amounts falling due within one year	8	(206,899)	(111,050)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(171,123)	(65,601)
		<hr/>	<hr/>
		1,201,485	1,307,210
		<hr/>	<hr/>
CREDITORS - amounts falling due after one year	9	716,133	810,351
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Revaluation reserve	12	441,699	441,699
Profit and loss account	12	43,651	55,158
		<hr/>	<hr/>
		1,201,485	1,307,210
		<hr/>	<hr/>

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

During the financial year ended 31 October 2001, 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.

OPTIMAL LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2001 (Continued)

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

The directors acknowledge 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 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.

Approved by the Board on 29 August 2002

A handwritten signature in black ink, appearing to read 'M Lench', is written over a horizontal line.

M Lench
Director

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2001

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost convention, adjusted for the revaluation of investment properties, and in accordance with applicable Accounting Standards.

b) Depreciation

All fixed assets are stated at cost to the company and are depreciated over their expected useful lives at 25% p.a. on the reducing balance.

c) Deferred Tax

Deferred tax is provided in respect of all timing differences using the liability method except to the extent that these are not expected to reverse in the foreseeable future.

d) Leasing Commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

e) Freehold properties

The freehold properties are revalued annually to open market value, on the basis of existing use, and no depreciation is provided. In the period to 31 October 2001 this valuation was carried out by the directors. 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.

f) 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.

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)

2. TURNOVER

Turnover represents rents receivable from tenants and income from property sales and contracted building work. Turnover is wholly attributable to the company's principal activity and has arisen entirely within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001 £	2000 £
Depreciation	203	270
Directors' remuneration	30,000	27,500
Directors' pensions	12,714	13,484
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4. TAXATION

As a result of losses made in the period, no charge to UK corporation tax arises in the period. The charge in the accounts relates to adjustments in respect of previous years.

OPTIMAL LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)****5. TANGIBLE FIXED ASSETS**

	Freehold Properties £	Plant & Equipment £	Total £
COST/VALUATION			
At 1 November 2000	1,372,000	2,419	1,374,419
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2001	1,372,000	2,419	1,374,419
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 November 2000	-	1,608	1,608
Charge for the year	-	203	203
	<hr/>	<hr/>	<hr/>
At 31 October 2001	-	1,811	1,811
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 October 2001	1,372,000	608	1,372,608
	<hr/>	<hr/>	<hr/>
At 31 October 2000	1,372,000	811	1,372,811
	<hr/>	<hr/>	<hr/>

Freehold properties are investment properties valued at their historic / revalued cost in accordance with note 1(e) to the accounts. The revaluations were carried out during the periods ended 31 October 1998 & 1999 by a qualified, independent valuer. The directors considered that the values remain 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 revalued investment properties	930,301
Period ended 31 October 1998	33,415
Period ended 31 October 1999	408,284
	<hr/>
	1,372,000
	<hr/>

OPTIMAL LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)****6. STOCKS**

	2001 £	2000 £
Property stocks held for resale	35,000	35,000

7. DEBTORS

	2001 £	2000 £
Prepayments	-	6,792

8. CREDITORS - amounts falling due within one year

	2001 £	2000 £
Loan	22,939	20,382
Current taxation	-	12,743
Trade creditors	1,175	2,016
Social security & other taxes	1,823	6,585
Amounts due to related companies	168,511	59,634
Deposits held	7,800	7,633
Accruals & deferred income	4,651	2,057
	206,899	111,050

9. CREDITORS - amounts falling due after one year

	2001 £	2000 £
Loans	590,565	614,700
Directors' current account	125,568	195,651
	716,133	810,351

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)

10. PROVISIONS FOR LIABILITIES & CHARGES

Deferred Tax

Deferred tax has not been provided for as in accordance with note 1c to the accounts no liability is expected to arise in the foreseeable future.

11. CALLED UP SHARE CAPITAL

	Ordinary shares of £1 each 2001 & 2000	
	No	£
Authorised	100	100
	<hr/>	<hr/>
Allotted called up & fully paid	2	2
	<hr/>	<hr/>

12. RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital allotted & fully paid £	Revaluation reserve £	Profit & loss account £	Total shareholders funds £
At 31 October 1999	2	441,699	70,206	511,907
Retained losses	-	-	(18,398)	(18,398)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2000	2	441,699	51,808	493,509
Retained losses	-	-	(11,507)	(11,507)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2001	2	441,699	40,301	482,002
	<hr/>	<hr/>	<hr/>	<hr/>

13. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 October 2001 (2000: Nil).

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2001 (Continued)

14. FINANCIAL COMMITMENTS

Capital & Other Financial Commitments

There were no capital or other financial commitments at 31 October 2001 (2000: Nil).

15. CONTROLLING PARTY

The company was controlled throughout the year by Mr & Mrs M Lench by virtue of the fact that between them they hold 100% of the share capital in the company.

16. RELATED PARTY TRANSACTIONS

During the current year, Optimal Limited received loans of £110,700 (2000: £1,093), from Optimal Media Limited, a company jointly owned by Mr & Mrs Lench. At 31 October 2001, the balance owed to the related company was £168,511 [refer note 7].