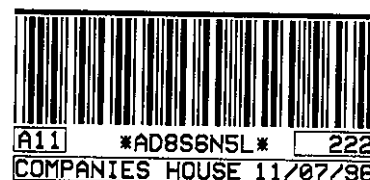


OPTIMAL LIMITED

DIRECTOR'S REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 OCTOBER 1995

COMPANY NO : 2931957



OPTIMAL LIMITED

REPORT OF THE DIRECTOR FOR THE PERIOD ENDED 31 OCTOBER 1995

The director presents his report and the company's accounts for the period ended 31 October 1995.

INCORPORATION

The company was incorporated on 23 May 1994 and began trading on 1 September 1994. The first period of account covers the fourteen months to 31 October 1995.

PRINCIPAL ACTIVITIES

The principal activities of the company are the purchase and renovation of residential properties for re-sale and the provision of consultancy services to the media industry.

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	
	31/10/1995	23/5/1994
	or subsequent	
	date of	
	appointment	
M Lench (appointed 14 July 1994)	2	2
Lufner Limited (resigned 14 July 1994)	-	1

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 DIRECTOR FOR THE PERIOD ENDED 31 OCTOBER 1995 (Continued)

DIRECTOR'S RESPONSIBILITIES (Continued)

The director is 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. He is 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.

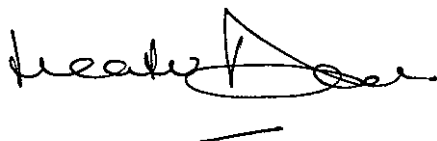
AUDITORS

Clark Kennedy White Limited were appointed first auditors of the company.

SMALL COMPANY EXEMPTIONS

The director has taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board.

A handwritten signature in black ink, appearing to read 'Hench', with a horizontal line drawn underneath it.

Mrs H Lench
Secretary

28 May 1996

C.K.W.

Clark Kennedy White Limited
Chartered Accountants

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF OPTIMAL LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Clark Kennedy White Limited

**Clark Kennedy White Limited
Registered Auditors**

4 Hutchings Road
BEACONSFIELD
Buckinghamshire HP9 2BB

28 May 1996

OPTIMAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 OCTOBER 1995**

	Notes	1995 £
TURNOVER	2	52,394
Administrative expenses		(52,180)
		<hr/>
OPERATING PROFIT	3	214
Interest receivable		9
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		223
Taxation on profit on ordinary activities		(335)
		<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(112)
		<hr/>

During the period ended 31 October 1995, the company had no recognised gains and losses other than those shown in its profit and loss account. Accordingly, a separate Statement of Recognised Gains and Losses has not been presented.

The company's profit and loss account has been prepared under the historical cost convention.


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

OPTIMAL LIMITED**BALANCE SHEET AS AT 31 OCTOBER 1995**

	Notes	£	1995 £
FIXED ASSETS			
Tangible assets	4		1,551
CURRENT ASSETS			
Stocks	5	141,000	
Debtors	6	4,326	
Cash at bank & in hand		34	
		<hr/>	
		145,360	
CREDITORS - amounts falling due within one year	7	(14,060)	
		<hr/>	
NET CURRENT ASSETS			131,300
			<hr/>
			132,851
			<hr/>
CREDITORS - amounts falling due after one year	8		132,961
CAPITAL AND RESERVES			
Called up share capital	10		2
Profit and loss account	11		(112)
			<hr/>
			132,851
			<hr/>

The director has taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Approved by the Board on 28 May 1996
and signed on its behalf by


M Lench
Director

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 OCTOBER 1995

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost convention 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 the following rates:

Office equipment	25% p.a. on reducing balance
Motor vehicle	25% p.a. on 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) 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.

2. TURNOVER

Turnover represents rents receivable from tenants and fees received for consultancy services provided, net of VAT.

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

OPTIMAL LIMITED**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 OCTOBER 1995 (Continued)****3. OPERATING PROFIT**

Operating profit is stated after charging:

	1995 £
Depreciation	640
Director's remuneration	-
Operating lease rentals	4,908
	<hr/>

4. TANGIBLE FIXED ASSETS

	Office Equipment £	Motor Vehicle £	Total £
COST			
Additions	691	1,500	2,191
	<hr/>	<hr/>	<hr/>
At 31 October 1995	691	1,500	2,191
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
Charge for the period	202	438	640
	<hr/>	<hr/>	<hr/>
At 31 October 1995	202	438	640
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 October 1995	489	1,062	1,551
	<hr/>	<hr/>	<hr/>

OPTIMAL LIMITED**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 OCTOBER 1995 (Continued)****5. STOCKS**

	1995 £
Property stocks held for resale	141,000
	<hr/>
	141,000
	<hr/>

6. DEBTORS

	1995 £
Trade debtors	3,232
Social security & other taxes	1,094
	<hr/>
	4,326
	<hr/>

7. CREDITORS - amounts falling due within one year

	1995 £
Bank overdraft	4,472
Trade creditors	5,801
Social security & other taxes	2,277
Current tax	335
Accruals & deferred income	1,175
	<hr/>
	14,060
	<hr/>

8. CREDITORS - amounts falling due after one year

	1995 £
Director's current account	132,961
	<hr/>

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 OCTOBER 1995 (Continued)

9. 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.

10. CALLED UP SHARE CAPITAL

	Ordinary shares of £1 each	
	No	1995 £
Authorised	100	100
	<hr/>	<hr/>
Allotted called up & fully paid	2	2
	<hr/>	<hr/>

11. RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital allotted & fully paid £	Profit & loss account £	Total shareholders funds £
Issue of shares	2	-	2
Retained loss	-	(112)	(112)
	<hr/>	<hr/>	<hr/>
At 31 October 1995	2	(112)	(110)
	<hr/>	<hr/>	<hr/>

12. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 October 1995.

OPTIMAL LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 OCTOBER 1995 (Continued)

13. FINANCIAL COMMITMENTS

Capital Commitments

There were no capital commitments at 31 October 1995

Other Financial Commitments

At 31 October 1995 the company had exchanged contracts on a fifth residential property. Completion took place on 30 November 1995 at the contract value of £52,000.

The company has the following minimum commitments under operating leases during the twelve months following the balance sheet date.

	1995
	Motor vehicle £
In respect of operating leases which expire:	
Between two to five years	5,323
	<hr/>
	5,323
	<hr/>