


**Optimisa plc (formerly known as Bizzbuild.com plc)**  
Financial statements  
For the year ended 31 December 2003

Grant Thornton 

**Company No. 3860539**

## Company information

<b>Company registration number</b>	3860539
<b>Directors</b>	P J Holmes R F Littleboy
<b>Secretary</b>	D J L King
<b>Bankers</b>	National Westminster 15 Bishopsgate London EC2P 2AP
<b>Solicitors</b>	Simmons and Simmons Citypoint One Ropemaker Street London EC2Y 9SS
<b>Auditors</b>	Grant Thornton Chartered Accountants Registered Auditors Central Milton Keynes MK9 1LW
<b>Nominated Advisor and Broker</b>	Noble and Company Limited 120 Old Broad Street London EC2N 1AR
<b>Registrars</b>	Capita Registrars PLC The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## Index

<b>Chairman's statement</b>	3
<b>Report of the directors</b>	4 - 6
<b>Report of the independent auditors</b>	7 - 8
<b>Principal accounting policies</b>	9
<b>Profit and loss account</b>	10
<b>Balance sheet</b>	11
<b>Cash flow statement</b>	12
<b>Notes to the financial statements</b>	13 - Error! Bookmark not defined.

## Chairman's statement

The results for the year to 31st December 2003 reflect a turn around in the second half of the year, following a small loss in the first half, which has led to pre-tax profits of £121,000 for the year compared to £123,000 in 2002. Shareholders funds have risen to £934,000, which include £361,000 of cash, equity investments of £404,000 and prepayment on an investment property of £183,000.

The year 2003 reflects a new share issue completed in early 2003, which raised £475,000 (before expenses) for the company, and our active management of an equity investment in a private management consultancy company, Edengene Limited, and current cash resources.

During the year the share premium account was utilised to remove the deficit on the Profit and Loss account and enable the company to pay dividends in the future, if the directors consider it appropriate. The 0.5p nominal value of ordinary shares was consolidated on a 300 for 1 basis into £1.50 nominal value of ordinary share.

During 2003, your company focused on maximizing the value of its holding in Edengene. I was appointed acting chairman of Edengene in May 2003. Optimisa increased its holding in Edengene from 7% to 10% during the year. This equity investment is valued at £390,000 as at 31st December 2003. In May, Edengene announced that its sales had increased by 26% to £5.8m and pre-tax profits more than doubled to over £850,000 for their financial year ended 31st January 2004. In 2004, Edengene received an award for "Best Small Firm" for the year 2003 from the Management Consultancy Association. In addition, a number of smaller investments were disposed of during the second half of the year which generated a profit of £72,000.

Your company is actively pursuing its basic strategy of identifying under valued investment opportunities in small growth companies where it can take a proactive role. Currently, we are in discussions with a number of companies which meet our strict investment criteria based on the information made available to us. In the meantime we actively manage our cash resources and equity investment in Edengene while keeping operating costs to a minimum.

Yours sincerely,

**R.F. Littleboy**

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2003. The company changed its name from Bizzbuild.com plc to Optimisa plc on 12 June 2003.

### Principal activities and business review

The company operates principally as an investment holding company.

The company remains quoted on the Alternative Investment Market of the London Stock Exchange. The directors continue to seek suitable investments, which may or may not include a reverse merger in another company, so that value can continue to be restored to shareholders' investments.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements. The directors have not recommended a dividend.

On 9 May 2003 a special resolution was passed at the Annual General Meeting that the share premium account would be reduced by the deficit standing on the profit and loss account of the company, £16,655,000. The High Court of Justice Chancery Division Companies Court confirmed this resolution in accordance with the Companies Act 1985 on 6 August 2003.

The directors are actively monitoring the potential impact on the reported results of the Company from the movement towards International Financial Reporting Standards and will continue to do so in the months ahead.

### The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

			At	At
	Class of share		31 December 2003	1 January 2003
P J Holmes	(Shares of 0.5 pence each)	Ordinary	-	2,166,667
	(Shares of 150 pence each)	Ordinary	16,222	-
R F Littleboy	(Shares of 0.5 pence each)	Ordinary	-	10,000,000
	(Shares of 150 pence each)	Ordinary	33,333	-

On 9 May 2003 the company passed a special resolution to consolidate the ordinary shares on a 300 for 1 basis with each 0.5 pence share being consolidated into a single share of 150 pence.

## Report of the directors

### Substantial shareholders

According to the register held by the company in addition to the directors' interests disclosed above, the following were interested in 3% or more of the issued share capital at 31 December 2003:

	Number of Ordinary shares	Percentage of issued Ordinary share capital
Paddy International Limited	50,000	14.0%
T Wild	34,999	9.8%
B Amin	25,350	7.1%
Fiske Nominees	16,444	4.6%
M Amin	16,666	4.7%
D King	36,667	10.3%
A Falcone	27,550	7.7%

### Policy on the payment of creditors

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Such payment is usually within thirty days of the receipt of an invoice. Given the current status of the company it is not meaningful to disclose the average settlement days in the period under review.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

A resolution to re-appoint Grant Thornton as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

D J L King

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
CENTRAL MILTON KEYNES

.....

## Principal accounting policies

### **Basis of accounting**

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **Investments**

Investments are included at cost less amounts written off. Profits or losses arising from the disposal of fixed asset investments are treated as part of the result from ordinary activities, within other operating income.

## Profit and loss account

	Note	2003 £000	2002 £000
Other operating income	2	151	207
Other operating charges	1	(36)	(86)
<b>Operating profit</b>	3	<u>115</u>	<u>121</u>
Interest receivable		6	2
<b>Profit on ordinary activities before taxation</b>		<u>121</u>	<u>123</u>
Tax on profit on ordinary activities	7	-	-
<b>Retained profit for the financial year</b>		<u>121</u>	<u>123</u>
Earnings per share (pence)	8	34.0	59.5

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying notes form part of these financial statements.

## Balance sheet

	Note	2003 £000	2002 £000
<b>Fixed assets</b>			
Investments	9	<u>404</u>	<u>257</u>
<b>Current assets</b>			
Debtors	10	195	251
Cash at bank		<u>361</u>	<u>341</u>
		556	592
<b>Creditors: amounts falling due within one year</b>	11	<u>(26)</u>	<u>(38)</u>
<b>Net current assets</b>		<u>530</u>	<u>554</u>
<b>Net assets</b>		<u>934</u>	<u>811</u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	534	532
Share premium account	14	279	16,934
Profit and loss account	15	<u>121</u>	<u>(16,655)</u>
<b>Shareholders' funds</b>	16	<u>934</u>	<u>811</u>

These financial statements were approved by the directors on 7th June 2004 and are signed on their behalf by:

.....  
P J Holmes

## Cash flow statement

	Note	2003 £000	2002 £000
Net cash inflow/(outflow) from operating activities	17	8	(235)
<b>Returns on investments and servicing of finance</b>			
Interest received		6	2
Net cash inflow from returns on investments and servicing of finance		6	2
<b>Capital expenditure and financial investment</b>			
Acquisition of investments		(301)	(50)
Proceeds on disposal of investments		305	-
Net cash inflow/(outflow) from financial investment		4	(50)
Cash inflow/(outflow) before financing		18	(283)
<b>Financing</b>			
Issue of equity share capital		2	524
Net cash inflow from financing		2	524
Increase in cash	17	20	241

The accompanying notes form part of these financial statements.

## Notes to the financial statements

### 1 Other operating charges

	2003 £000	2002 £000
Administrative expenses	<u>36</u>	<u>86</u>

### 2 Other operating income

	2003 £000	2002 £000
Profit on disposal of investment	72	-
Reversal of impairment of investment (see note 6)	79	207
	<u>151</u>	<u>207</u>

### 3 Operating profit

Operating profit is stated after charging:

	2003 £000	2002 £000
Directors' emoluments	-	52
Depreciation of owned fixed assets	-	1
Auditors' remuneration:		
Audit fees	7	12
Other	1	10
	<u>      </u>	<u>      </u>

### 4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Number of administrative staff	<u>-</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2003 £000	2002 £000
Wages and salaries	-	53
Social security costs	-	1
	<u>-</u>	<u>54</u>

**5 Directors**

Remuneration in respect of directors was as follows:

	2003 £000	2002 £000
Emoluments receivable	<u>-</u>	<u>52</u>

Emoluments include £nil (2002: £41,500) in respect of compensation paid to former directors on leaving office.

**6 Reversal of impairment of investment**

	2003 £000	2002 £000
Reversal of previous impairment provision	(111)	(207)
Amounts written off investments	<u>32</u>	<u>-</u>
	<u>(79)</u>	<u>(207)</u>

The reversal of previous impairment provisions relates to an investment in Edengene Limited.

The amounts written off investments relates to an investment in World Sports Group Plc.

**7 Taxation on ordinary activities**

No taxation arises on the results for the year.

Unrelieved tax losses of approximately £1,480,000 (2002: £1,448,000) remain available to offset against future taxable trading profits. There is a potential deferred taxation asset not recognised in respect of these losses of £444,000 (2002: £434,000). The potential asset has not been recognised because the directors do not believe they can state with sufficient certainty that it is more likely than not it will be utilised in future years.

Further unrelieved tax losses of approximately £13,115,000 (2002: £13,182,000) remain available to offset against future taxable capital gains. There is a further potential deferred taxation asset not recognised in respect of these losses of £3,935,000 (2002: £3,955,000). This potential asset has also not been recognised because the directors do not believe they can state with sufficient certainty that it is more likely than not it will be utilised in future years.

Factors affecting current tax charge

	2003 £000	2002 £000
Profit on ordinary activities before taxation	<u>121</u>	<u>123</u>
Theoretical tax charge at 30%	36	37
Permanent differences re impairment charges	(29)	(62)
(Decrease)/increase in tax losses	<u>(7)</u>	<u>25</u>
Total current tax	<u>-</u>	<u>-</u>

**8 Earnings per share**

	2003	2002
	£000	£000
Profit attributable to shareholders	<u>121</u>	<u>123</u>
	Number	Number
Weighted average number of shares in issue	355,656	206,601
	Pence	Pence
Basic earnings per share	34.0	59.0

There is no potential dilution to the current year earnings per share in respect of "in the money share" options at 31 December 2003 and 2002.

During the year a special resolution was passed to consolidate the ordinary shares on a 300 for 1 basis. Therefore the earnings per share value has been adjusted for 2002, to show a fair comparison with the earnings per share value for 2003.

**9 Investments**

	Other Investments £000
Cost	
At 1 January 2003	1,670
Additions	301
Disposals	(233)
At 31 December 2003	<u>1,738</u>
Amounts written off	
At 1 January 2003	1,413
Reversal of previous impairment	(111)
Amounts written off investments	32
At 31 December 2003	<u>1,334</u>
Net book value	
At 31 December 2003	<u>404</u>
At 31 December 2002	<u>257</u>

Other investments represent shares in unquoted companies of £390,000 (2002 : £207,000), shares in quoted companies of £13,000 (2002: £50,000).

Impairment losses recognised in respect of Edengene Limited in prior years of £111,000 (2002: £207,000) have been reversed during the year. The reversal has been recognised because of continued improvement in the trading performance of Edengene Limited during the year.

Amounts written off investments in the year relates to shares in World Sports Group Plc, which have been written down to their open market value at the year end date.

**10 Debtors**

	2003 £000	2002 £000
Other debtors	12	1
Prepayments	183	-
Called up share capital not paid (see note 13)	-	250
	<u>195</u>	<u>251</u>

**11 Creditors: amounts falling due within one year**

	2003 £000	2002 £000
Trade creditors	9	10
Accruals and deferred income	17	28
	<u>26</u>	<u>38</u>

**12 Financial Instruments**

The company's financial instruments comprise cash and short term deposits. The company has financed its operations from equity share issues.

The main risk arising from the company's financial instruments is interest rate risk. The board reviews and agrees policies for managing its risks which is summarised below:

As noted above, the company has to date financed its operations through equity share issues. Surplus cash funds have been invested on short term deposit. In view of the cash funds on deposit at 31 December 2003 the directors do not believe that the company currently has a liquidity risk

**13 Share capital**

Authorised share capital:

	2003 £000	2002 £000
203,342,000 Ordinary shares of 0.5 pence each	-	1,017
1,600,000 Ordinary shares of 150 pence each	<u>2,400</u>	<u>-</u>
	<u>2,400</u>	<u>1,017</u>

Allotted and called up:

	2003		2002	
	No	£000	No	£000
Ordinary shares of 0.5 pence	-	-	106,296,822	532
Ordinary shares of 150 pence each	<u>356,322</u>	<u>534</u>	-	-
	<u>356,322</u>	<u>534</u>	<u>106,296,822</u>	<u>532</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls as follows:

	2003 £000	2002 £000
Ordinary shares (see note 10)	<u>-</u>	<u>250</u>

On 30 April 2003, the company issued and allotted 600,000 ordinary shares of 0.5 pence each.

On 9 May 2003 the company passed an ordinary resolution at its Annual General Meeting to increase the authorised share capital of the company from £1,016,710 to £2,400,000 after the creation of an additional 276,657,958 ordinary shares of 0.5 pence each in the capital of the company.

The company then passed a special resolution to consolidate the ordinary shares on a 300 for 1 basis with each 0.5 pence share being consolidated into a single share of 150 pence. This created a total authorised share capital of 1,600,000 shares of 150 pence each, and an allotted share capital of 356,322 shares of 150 pence each.

**Contingent rights to the allotment of shares**

At 31 December 2003 the company had the following outstanding options over its ordinary shares of 150 pence each:

Number of shares	Exercise price	Dates exercisable
360	£750	21 March 2003 to 20 March 2010
2,407	£750	21 March 2001 to 20 March 2010
133	£450	13 July 2003 to 12 July 2010
450	£450	13 July 2003 to 12 July 2010
67	£288	25 October 2003 to 24 October 2010

Warrants were issued on 18 February 2002 over 11,111 shares. These are exercisable at 180 pence per share. Other warrants were issued in March 2000 over 8,725 shares. These are exercisable at 150 pence

per share.

**14 Share premium account**

	2003 £000	2002 £000
Balance brought forward	16,934	16,588
Premium on shares issued in the year	-	346
Reduction in share premium account (see note 15)	<u>(16,655)</u>	-
Balance carried forward	<u>279</u>	<u>16,934</u>

**15 Profit and loss account**

	2003 £000	2002 £000
Balance brought forward	(16,655)	(16,778)
Reduction in deficit in Profit and loss account	16,655	-
Retained profit for the financial year	<u>121</u>	<u>123</u>
Balance carried forward	<u>121</u>	<u>(16,655)</u>

On 9 May 2003, a special resolution was passed at the Annual General Meeting that the amount in the share premium account of the company would be reduced by the deficit standing to the profit and loss account of the company, as recorded in the audited accounts of the company for the year ended 31 December 2002. This was confirmed by the High Court of Justice Chancery Division Companies Court in accordance with the Companies Act 1985 on 6 August 2003.

**16 Reconciliation of movements in shareholders' funds**

	2003 £000	2002 £000
Profit for the financial year	121	123
New equity share capital subscribed (see note 13)	<u>2</u>	<u>774</u>
Net addition to funds	123	897
Opening shareholders' equity funds/(deficit)	<u>811</u>	<u>(86)</u>
Closing shareholders' equity funds	<u>934</u>	<u>811</u>

**17 Notes to the statement of cash flows**

**Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	2003 £000	2002 £000
Operating profit	115	121
Depreciation	-	1
Decrease/(increase) in debtors	56	(1)
Decrease in creditors	(12)	(149)
Reversal of impairment of investments (see note 6)	(111)	(207)
Impairment of investment (see note 6)	32	-
Profit on disposal of investments	(72)	-
	<u>8</u>	<u>(235)</u>

**Reconciliation of net cash flow to movement in net funds**

	2003 £000	2002 £000
Increase in cash in the period	20	241
Net funds at 1 January 2003	<u>341</u>	<u>100</u>
Net funds at 31 December 2003	<u>361</u>	<u>341</u>

**Analysis of changes in net funds**

	At 1 January 2003 £000	Cash flows £000	At 31 December 2003 £000
Cash in hand and at bank	<u>341</u>	<u>20</u>	<u>361</u>
Net funds	<u>341</u>	<u>20</u>	<u>361</u>

**Optimisa plc  
(the "Company")**

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 1<sup>st</sup> floor, Roxburghe House, 273-287 Regent Street, London W1B 2HA at 11 am on 8<sup>th</sup> July 2004 for the following purposes:

**ORDINARY BUSINESS**

1. To receive the directors' report and accounts for the year ended 31 December 2003 and the auditors' report thereon.
2. To re-appoint Ronald Littleboy as a director.
3. To re-appoint Grant Thornton as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the directors to agree their remuneration.

7 June 2004  
BOARD

BY ORDER OF THE

Optimisa plc  
Company Secretary

Registered Office:

1<sup>st</sup> Floor  
Roxburghe House  
273-287 Regent Street  
London  
W1B 2HA

NOTES:-

1. A member entitled to attend and vote at the meeting convened by the Notice set out above is entitled to appoint one or more proxies to attend and, on a poll, to vote on his or her behalf. A proxy need not be a member of the Company.
2. A form of proxy is enclosed. Please read carefully the instructions on how to complete the form. For a proxy to be effective, it must be deposited together with the power of attorney or other authority (if any) under which it is signed or a notoriety certified copy of such power of attorney or other authority at the offices of the Company's registrars so as to be received not later than 48 hours before the time appointed for the meeting. Completion of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

3. The register of interests of the directors and their families in the share capital of the Company and copies of contracts of service and appointments of the directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the meeting and at the place of the meeting for 30 minutes prior to and throughout the meeting.

