

BLUEWATER ESTATES LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2003

Company No. 3848890 (England and Wales)



BLUEWATER ESTATES LIMITED

COMPANY INFORMATION

Directors	Sean Linehan
Company Secretary	Peter Southgate
Company Number	3848890 (England and Wales)
Registered Office	The Apple Barn Langley Park Sutton Road Maidstone Kent ME17 3NQ

BLUEWATER ESTATES LIMITED

CONTENTS

	Page No
Directors Report	1
Profit and loss account	2
Balance Sheet	3
Notes to the financial statements	4-6

BLUEWATER ESTATES LIMITED

DIRECTORS REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

Statement of 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 and of the profit or loss of the company for that period. 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
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

Principal activities

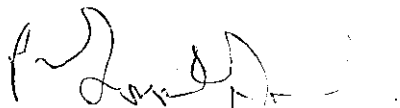
The principal activity of the company is to seek investment opportunities in the Spanish property sector.

Directors

The directors who acted during the period and their beneficial interests in the company's issued ordinary share capital were:

	Number Of shares 2003
Sean Linehan	1

This report, which has been prepared taking advantage of special provisions applicable to small companies conferred by Part VII of the Companies Act 1985, was approved by the board on 24 September 2004 and signed on its behalf.



Peter Southgate
Secretary

24 September 2004

BLUEWATER ESTATES LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE PERIOD ENDED 31 DECEMBER 2003

	Notes	2003 Euro	2002 Euro
Turnover	1,2	11,751	9,997
Administration expenses		15,626	11,886
Operating loss	3	<u>(3,875)</u>	<u>(1,889)</u>
Interest receivable		-	-
Interest payable	4	<u>(6,323)</u>	<u>(8,250)</u>
Loss on ordinary activities Before taxation		(10,198)	(10,139)
Taxation	5	-	-
Loss on ordinary activities After taxation		<u>(10,198)</u>	<u>(10,139)</u>
Dividends On equity shares	6	-	-
Retained (loss) for the year		<u><u>(10,198)</u></u>	<u><u>(10,139)</u></u>

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

The notes on pages 4 to 6 form part of these financial statements

BLUEWATER ESTATES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2003

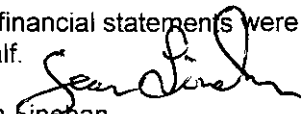
	Notes	Euro	2003 Euro	2002 Euro
Fixed assets				
Tangible assets	7		307,364	311,812
Current assets				
Debtors	8	1,043		529
Cash at bank and in hand		1,300		3,233
Creditors		<u>2,343</u>		<u>3,762</u>
Amounts falling due Within one year	9	201,024		188,535
Net current liabilities			198,681	184,773
Total assets less current liabilities			<u>108,683</u>	<u>127,039</u>
Creditors				
Amounts falling due After more than one year	10		139,643	147,801
Net assets			<u>(30,960)</u>	<u>(20,762)</u>
Capital and reserves				
Called up share capital	11		¹	¹
Profit and loss account	12		(30,961)	(20,763)
Shareholders funds			<u>(30,960)</u>	<u>(20,762)</u>

In the directors opinion the company was entitled under section 249A (1) of the companies Act 1985 to exemption from the audit of it's accounts for the year ended 31 December 2003. No member of the company has deposited a notice under section 249B (2) requiring an audit of these accounts.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with it's requirements, so far as applicable to the company.

The directors have taken advantage, in the preparation of these financial statements, of special provisions applicable to small companies conferred by part VII of the Companies Act 1985.

The financial statements were approved by the board on 24 September 2004 and signed on their behalf.


Sean Linnhan
Director

The notes on pages 4 to 6 form part of these financial statements

BLUEWATER ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

1. Accounting Policies

1.1 Basis of preparation of financial statements

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

1.2 Turnover

The company's turnover derives from the rental of Spanish property.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation, except for investment property on which no depreciation is charged.

Fixtures and fittings 10% straight line basis.

1.4 Deferred taxation

Provision would be made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.5 Foreign currencies

The company has prepared the financial statements in Euros.

Transactions in foreign currencies are translated into euros at the rate ruling at the date of the transaction. Assets and liabilities are translated at rates of exchange ruling at the Balance Sheet date. Exchange differences are taken into account in arriving at the operating profit.

For the purposes of these accounts an exchange rate of Euro 1 = £0.711 has been used.

1.6 Pensions

The company does not operate a pension scheme.

2. Turnover

The company's turnover is entirely derived from overseas property.

3. Operating Loss

The operating loss is stated after charging:

	2003 Euro	2002 Euro
Depreciation of tangible fixed assets		
-owned by the company	4,448	4,448
Directors emoluments	-	-

BLUEWATER ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

		Euro 2003	Euro 2002
4. Interest payable			
Interest payable during the year.		6,323	8,250

5. Taxation		2003	2002
		Euro	Euro
UK Current year taxation		-	-
UK corporation tax		-	-

If provision were made for deferred taxation on the basis of the full potential liability the tax charge would increase by Euro nil due to accelerated capital allowances.

- 6. Dividends**
No dividends have been paid or proposed during the year.

7. Tangible Fixed Assets	Investment Property Euro	Fixtures and Fittings Euro	Total Euro
Cost			
At 1 January 2003	276,099	44,483	320,582
Additions	-		
At 31 December 2003	<u>276,099</u>	<u>44,483</u>	<u>320,582</u>
Depreciation			
At 1 January 2003	-	8,770	8,770
Charge for year	-	4,448	4,448
At 31 December 2003		<u>13,218</u>	<u>13,218</u>
Net book values			
At 31 December 2003	<u>276,099</u>	<u>31,265</u>	<u>307,364</u>
At 31 December 2002	276,099	35,713	311,812

8. Debtors	2003 Euro	2002 Euro
Due within one year		
Trade debtors	-	-
Other debtors	<u>1,043</u>	<u>529</u>
	<u>1,043</u>	<u>529</u>

9. Creditors – Amounts falling due		
Within one year	2003 Euro	2002 Euro
Trade creditors	1,912	1,408
Corporation tax	-	-
Directors loan	199,112	187,127
	<u>201,024</u>	<u>188,535</u>

BLUEWATER ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31
DECEMBER 2003

10	Creditors – Accounts falling due after more One year	2003 Euro	2002 Euro
	Property Mortgage (secured)	139,643	147,801
	The Mortgage is secured on the companies Investment property		
11.	Share capital	2003	2002 Euro
	Called up, allotted and fully paid	£	
	1 ordinary shares of £1 each	1	1
12.	Movement on Profit & loss account	2003 Euro	2002 Euro
	Opening Balance	(20,763)	(10,624)
	Loss for the Year	(10,198)	(10,139)
	Closing Balance	<u>(30,961)</u>	<u>(20,763)</u>
13.	Contingent liabilities		
	There were no contingent liabilities at 31 December 2003		
14.	Capital commitments		
	The company had no capital commitments at the year end.		
15.	Other commitments		
	There were no other commitments at 31 December 2003		
16.	Post balance sheet events		
	No significant events		
17.	Related party transactions		
	The company has received an interest free director's loan of Euro 199,112 from Sean Linehan.		
18.	Ultimate holding company		
	The ultimate holding company is Ledway Limited, incorporated in Isle of Mann.		