

COMPANY REGISTRATION NUMBER 2314816

WATERCOLOR PROPERTIES PLC
FINANCIAL STATEMENTS
30 JUNE 2003

GRENFELL JAMES
Chartered Accountants
Elta House
Birmingham Road
Stratford upon Avon
Warwickshire
CV37 0AQ



WATERCOLOR PROPERTIES PLC

THE DIRECTOR'S REPORT

YEAR ENDED 30 JUNE 2003

The director presents his annual report together with the unaudited accounts of the company for the year ended 30 June 2003. The company is dormant and has not traded during the year.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

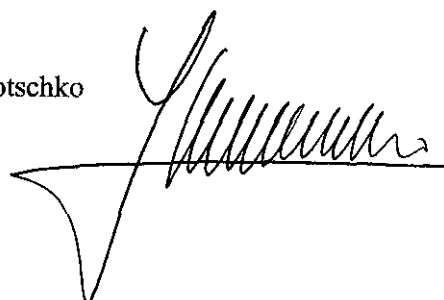
		At 30 June 2003	At 1 July 2002
Mr I Kolodotschko	Ordinary A Shares	<u>1</u>	<u>-</u>

Registered office:

Signed by

Mr I Kolodotschko

Chairman



Approved by the director on 1 July 2003

WATERCOLOR PROPERTIES PLC

BALANCE SHEET

30 JUNE 2003

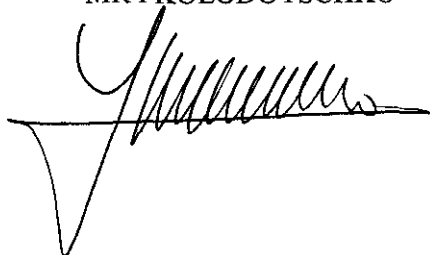
	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	3	15,326	15,326
TOTAL ASSETS		<u>15,326</u>	<u>15,326</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	12,500	12,500
Profit and Loss Account		2,826	2,826
SHAREHOLDERS' FUNDS		<u>15,326</u>	<u>15,326</u>

Statements:

- (a) For the year ended 30 June 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The director acknowledges his responsibility for:
 - (i) ensuring the company keeps accounting records in accordance with section 221, and
 - (ii) 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 and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These financial statements were approved and signed by the director on 1 July 2003

MR I KOLODOTSCHKO



The notes on page 3 form part of these financial statements.

WATERCOLOR PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2003

1. DORMANT STATUS

The company was dormant (within the meaning of section 249AA of the Companies Act 1985) throughout the year ended 30 June 2003. The company has not traded during the year or during the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Director's emoluments	<u>—</u>	<u>—</u>

3. DEBTORS

	2003	2002
	£	£
Other debtors	<u>15,326</u>	<u>15,326</u>

4. RELATED PARTY TRANSACTIONS

The company was under the control of Mr I Kolodotschko throughout the current and previous year. Mr I Kolodotschko is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard Small Entities.

5. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
Ordinary A Shares shares - £0.25 paid of £1 each	25,000	6,250	25,000	6,250
Ordinary B Shares shares - £0.25 paid of £1 each	25,000	6,250	25,000	6,250
	<u>50,000</u>	<u>12,500</u>	<u>50,000</u>	<u>12,500</u>