

COMPANY REGISTRATION NUMBER 2314816

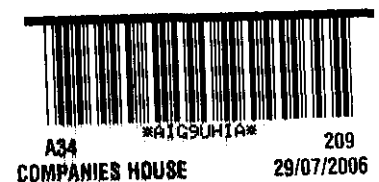
WATERCOLOR PROPERTIES PLC

FINANCIAL STATEMENTS

30 JUNE 2006

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 2006

The director presents his annual report together with the unaudited financial statements of the company for the year ended 30 June 2006. The company is dormant and has not traded during the year.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

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

		At 30 June 2006	At 1 July 2005
Mr I Kolodotschko	ordinary	<u>1</u>	<u>1</u>

Registered office:
Elta House
Birmingham Road
Stratford upon Avon
Warwickshire
CV37 0AQ

Signed by order of the director



MR I KOLODOTSCHKO
Company Secretary

Approved by the director on 1 July 2006

WATERCOLOR PROPERTIES PLC

BALANCE SHEET

30 JUNE 2006

	Note	2006 £	2005 £
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		<u>2,826</u>	<u>2,826</u>
SHAREHOLDERS' FUNDS		<u>15,326</u>	<u>15,326</u>

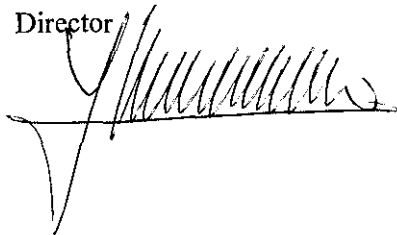
Statements:

- (a) For the year ended 30 June 2006 the company was entitled to exemption from audit 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 financial statements 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 financial statements, so far as applicable to the company.

These financial statements were approved and signed by the director on 1 July 2006.

MR I KOLODOTSCHKO

Director



The notes on pages 3 to 4 form part of these financial statements.

WATERCOLOR PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2006

1. DORMANT STATUS

The company was dormant (within the meaning of Section 249AA of the Companies Act 1985) throughout the year ended 30 June 2006. 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:

	2006	2005
	£	£
Director's emoluments	—	—

3. DEBTORS

	2006	2005
	£	£
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.

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

WATERCOLOR PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2006

5. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
25,000 Ordinary Class A shares of £1 each	25,000	25,000
25,000 Ordinary Class B shares of £1 each	25,000	25,000
	<u>50,000</u>	<u>50,000</u>

Allotted and called up:

	2006		2005	
	No	£	No	£
Ordinary Class A shares - £0.25 paid of £1 each	25,000	6,250	25,000	6,250
Ordinary Class B 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>