

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2006
FOR
GOLDEN YEARS PROPERTIES LIMITED**

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GOLDEN YEARS PROPERTIES LIMITED

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for the Year Ended 31 December 2006**

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GOLDEN YEARS PROPERTIES LIMITED

**COMPANY INFORMATION
for the Year Ended 31 December 2006**

DIRECTOR	D C Hardwick
SECRETARY:	P C Cresswell
REGISTERED OFFICE:	Unit 6 Draycott Business Village Draycott Moreton in Marsh Gloucestershire GL56 9JY
REGISTERED NUMBER:	05200066 (England and Wales)
AUDITORS:	Hazlewoods LLP Chartered Accountants and Registered Auditors Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT
BANKERS:	Lloyds TSB Bank Plc High Street Moreton in Marsh Gloucestershire GL56 0AY
SOLICITORS:	Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

GOLDEN YEARS PROPERTIES LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 December 2006

The director presents his report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The company's name was changed to Golden Years Properties Limited on 4th October 2006. Trading commenced on 1 October 2006 with the lease of a property in the UK. The property will be made available to Golden Years Holidays PLC on a commercial basis when it is ready for occupation.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The accounts have been prepared on a going concern basis. The Company had net liabilities at 31 December 2006. The holding Company, Golden Years Holidays Plc, will continue to provide financial support.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2006.

DIRECTOR

D C Hardwick was the sole director during the year under review.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is 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 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 financial statements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GOLDEN YEARS PROPERTIES LIMITED

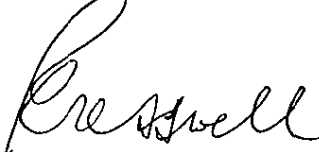
**REPORT OF THE DIRECTOR
for the Year Ended 31 December 2006-continued**

AUDITORS

The auditors, Hazlewoods LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:



P C Cresswell - Secretary

Date 23/15/2007

GOLDEN YEARS PROPERTIES LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
GOLDEN YEARS PROPERTIES LIMITED

We have audited the financial statements of Golden Years Properties Limited for the year ended 31 December 2006 on pages 6 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the Directors Report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, 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 financial statements 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 financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
GOLDEN YEARS PROPERTIES LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Director is consistent with the financial statements

Hazlewoods LLP

Hazlewoods LLP
Chartered Accountants and Registered Auditors
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Date *29 October 2007*

GOLDEN YEARS PROPERTIES LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2006**

	Notes	2006 £	2005 £
TURNOVER		-	-
Cost of sales		<u>10,582</u>	<u>-</u>
GROSS LOSS		(10,582)	-
Administrative expenses		<u>16</u>	<u>45</u>
OPERATING LOSS	3	(10,598)	(45)
Interest receivable and similar income		<u>2</u>	<u>1</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,596)	(44)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	7	<u>(10,596)</u>	<u>(44)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

GOLDEN YEARS PROPERTIES LIMITED

**BALANCE SHEET
31 December 2006**

	Notes	2006 £	2005 £
CURRENT ASSETS			
Cash at bank		225	91
CREDITORS			
Amounts falling due within one year	5	<u>11,027</u>	<u>297</u>
NET CURRENT LIABILITIES		<u>(10,802)</u>	<u>(206)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(10,802)</u>	<u>(206)</u>
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account	7	<u>(10,804)</u>	<u>(208)</u>
SHAREHOLDERS' FUNDS	10	<u>(10,802)</u>	<u>(206)</u>

The financial statements were approved by the director on

23/10/07 and were signed by



D C Hardwick - Director

The notes form part of these financial statements

GOLDEN YEARS PROPERTIES LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 December 2006**

	Notes	2006 £	2005 £
Net cash inflow from operating activities	1	132	55
Returns on investments and servicing of finance	2	<u>2</u>	<u>1</u>
Increase in cash in the year		<u>134</u>	<u>56</u>

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

	3		
Increase in cash in the year		<u>134</u>	<u>56</u>
Movement in net funds in the year		134	56
Net funds at 1 January		<u>91</u>	<u>35</u>
Net funds at 31 December		<u>225</u>	<u>91</u>

The notes form part of these financial statements

GOLDEN YEARS PROPERTIES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2006**

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating loss	(10,598)	(45)
Increase in creditors	<u>10,730</u>	<u>100</u>
Net cash inflow from operating activities	<u><u>132</u></u>	<u><u>55</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	<u>2</u>	<u>1</u>
Net cash inflow from returns on investments and servicing of finance	<u><u>2</u></u>	<u><u>1</u></u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/06 £	£ Cash flow £	At 31/12/06 £
Net cash			
Cash at bank	<u>91</u>	<u>134</u>	<u>225</u>
Total	<u><u>91</u></u>	<u><u>134</u></u>	<u><u>225</u></u>

The notes form part of these financial statements

GOLDEN YEARS PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2006**

1 ACCOUNTING POLICIES

Accounting convention

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

Going concern

The accounts have been prepared on a going concern basis on the assumption the ultimate parent company, Golden Years Holidays Plc will continue to provide financial support

Turnover

No sales were made during the year

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Transactions with related parties

The Company has taken advantage of the exemption in FRS8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent company, Golden Years Holidays Plc

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2006 nor for the year ended 31 December 2005

The average monthly number of employees during the year was as follows

	2006 £	2005 £
Directors	1	1
Company Secretary	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging

	2006 £	2005 £
Other operating leases	<u>9,893</u>	<u>-</u>
Director's emoluments	<u>-</u>	<u>-</u>

GOLDEN YEARS PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2006**

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2006 nor for the year ended 31 December 2005

A deferred tax asset in respect of tax losses available to carry forward of £2,967 (2005 £12) has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Amounts owed to group undertakings	1,057	297
Accrued expenses	<u>9,970</u>	<u>-</u>
	<u>11,027</u>	<u>297</u>

6 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2006 £	2005 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2006 £	2005 £
2	Ordinary		<u>2</u>	<u>2</u>

7 RESERVES

	Profit and loss account £
At 1 January 2006	(208)
Deficit for the year	<u>(10,596)</u>
At 31 December 2006	<u>(10,804)</u>

8 ULTIMATE PARENT COMPANY

The company is controlled by its ultimate parent company, Golden Years Holidays Plc, a company incorporated in England and Wales, which owns 100% of the issued share capital

GOLDEN YEARS PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2006**

9 OTHER FINANCIAL COMMITMENTS

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings £	Other £
Between two and five years	<u>39,573</u>	<u>-</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the financial year	(10,596)	(44)
Opening shareholders' funds	<u>(206)</u>	<u>(162)</u>
Closing shareholders' funds	<u>(10,802)</u>	<u>(206)</u>