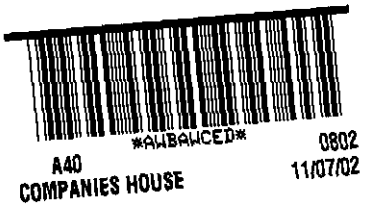
CITALIA HOLIDAYS LIMITED

(formerly CIT Holidays Limited)

Directors' report and financial statements

Registered number 446617

31 December 2001



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Directors' report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2001.

Principal activities

During the year, the Company changed its name from CIT Holidays Limited to Citalia Holidays Limited.

The principal activity of the Company continued to be as a tour operator for Italy and Spain, with tours supported by quality accommodation in villa, hotels and paradores.

Results and dividends

The groups profit on ordinary activities before taxation was £2,652,001 *(2000:£1,591,029)*. The results for the year are shown in the consolidated profit and loss account on page 6.

An interim dividend of £600,000 *(2000:£1,300,000)* was paid during the year. The directors do not propose the payment of a final dividend *(2000:£nil)*.

Directors and their interests

The directors at the date of this report are:

D	Blastland	Appointed 12 March 2001
V C	Chang	Appointed 12 March 2001
P J	Long	Appointed 12 March 2001
N J	Jenkins	Appointed 20 November 2001
A	Malone	Appointed 12 March 2001
C	De Simone	
C	Meyrick	Appointed 12 March 2001

The following directors resigned during the year:

G	Gandolfi	Resigned 12 March 2001
D	Howell	Appointed 12 March 2001; Resigned 3 May 2001
F	Lucchino	Resigned 12 March 2001
G	Vimercati	Resigned 12 March 2001

Interests in Citalia Holidays Limited

On 29 August 2000, Mr C De Simone exercised an option, granted to him by CIT SpA (CIT International Service SrL) as of 26 November 1998, and acquired an interest of 20% in the issued share capital of the Company.

On 12 March 2001, pursuant to an Agreement made on 8 March 2001, the entire issued share capital of the Company was sold by CIT International SA (60%), CIT International Service SrL (20%) and Mr C De Simone (20%) to Maraheath Limited

The shareholders of Maraheath Limited are First Choice Holidays PLC (75,000 Ordinary Shares of £1 each) and Mr C De Simone (25,000 Ordinary Shares of £1 each).

Interests in the ultimate parent company First Choice Holidays PLC

As at 31 December 2001, the interests of the directors in the share capital of First Choice Holidays PLC, the ultimate parent company, were as follows:

	—Ordinary Shares—		——Options——		——————Restricted Shares——————			
	31 December 2001	31 December 2000*	31 December 2000*	31 December 2001	31 December 2000*	Granted	Exercised	31 December 2001
Ordinary Shares								
D Blastland	175,729	95,855	115,095	115,095	520,332	179,104	(133,125)	566,311
*N J Jenkins	2,746,939	2,746,939	-	-	96,314	61,455	-	157,769
P J Long	1,092,428	917,581	900,027	900,027	1,445,660	(257,516)	(247,557)	1,455,919

* or date of appointment

Share options granted to the Executive Directors and outstanding at the year-end under the Restricted Share Plan, Executive Share Option Scheme, the Senior Executive Plan and SAYE scheme are set out below.

	No. of shares	Option exercise price(p)	Date first exercisable
Dermot Blastland			
Executive Share Option Scheme	20,242	95.00	21 July 1998
Senior Executive Plan	90,427	74.00	23 July 2001
Restricted Share Plan	16,682	N/A	5 April 2002
	167,273	N/A	14 December 2002
	203,252	N/A	11 December 2003
SAYE Scheme	4,426	97.60	1 October 2003
N J Jenkins			
Restricted Share Plan	25,654	-	6 October 2001
	31,636	-	15 October 2002
	39,024	-	12 December 2003
	61,455	-	12 December 2004
Peter Long			
Senior Executive Plan	704,338	56.00	10 October 2001
	191,263	65.00	23 December 2001
Restricted Share Plan	176,343	N/A	5 April 2002
	20,000	N/A	6 January 2003
	109,900	N/A	22 March 2003
	389,000	N/A	14 December 2002
	194,500	N/A	14 December 2003
	113,860	N/A	11 December 2004
	194,500	N/A	14 December 2004
SAYE Scheme	4,426	97.60	1 October 2003

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

V C Chang
Secretary

First Choice House
London Road
Crawley
West Sussex
RH10 9GX

Dated: 2a May 2002

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 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc
PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Citalia Holidays Limited

We have audited the financial statements on pages 6 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 also report to you if, in our opinion, the directors' report is not 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

22 MAY 2002

Consolidated profit and loss account

for the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover		**43,662,527**	36,207,095
Cost of sales		**(36,462,162)**	(30,441,492)
Gross profit		**7,200,365**	5,765,603
Administrative expenses		**(4,948,237)**	(4,576,711)
Income from fixed assets investments		**195,000**	195,000
Operating profit	*2*	**2,447,128**	1,383,892
Other interest receivable and similar income	*6*	**331,428**	286,636
Interest payable and similar charges	*5*	**(126,555)**	(79,499)
Profit on ordinary activities before taxation		**2,652,001**	1,591,029
Tax on profit on ordinary activities	*7*	**(737,297)**	(516,450)
Profit on ordinary activities after taxation		**1,914,704**	1,074,579
Dividends on equity		**(600,000)**	(1,300,000)
Retained profit/(loss) for the year		**1,314,704**	(225,421)

All results relate to continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2001

	2001 £	2000 £
Profit/(loss) for the financial year	**1,914,704**	1,074,579
Unrealised surplus on revaluation of properties	**-**	1,147,010
Total recognised gains and losses relating to the financial year	**1,914,704**	2,221,589

Balance sheets

at 31 December 2001

	Note	Group		Company	
		2001	2000	**2001**	2000
		£	£	**£**	£
Fixed assets					
Tangible assets	*8*	**4,677,651**	4,861,062	**4,677,651**	4,861,062
Investments	*9*	**-**	3,910,236	**20,000**	3,930,236
		4,677,651	8,771,298	**4,697,651**	8,791,298
Current assets:					
Debtors and prepayments	*10*	**2,055,903**	2,763,303	**2,055,903**	2,763,303
Amounts owed by group undertakings		**8,122,465**	1,014,527	**8,122,465**	1,014,527
Cash at bank and in hand		**668,753**	1,974,421	**668,753**	1,974,421
		10,847,121	5,752,251	**10,847,121**	5,752,251
Creditors: amounts falling due within one year	*11*	**(5,865,202)**	(5,961,709)	**(6,378,055)**	(5,987,831)
Net current assets/(liabilities)		**4,981,919**	(209,458)	**4,469,066**	(235,580)
Total assets less current liabilities		**9,659,570**	8,561,840	**9,166,717**	8,555,718
Creditors: amounts falling due after more than one year	*12*	**(1,270,000)**	(1,440,000)	**(1,270,000)**	(1,440,000)
Provisions for liabilities and charges	*13*	**-**	(46,974)	**-**	(46,974)
Net assets		**8,389,570**	7,074,866	**7,896,717**	7,068,744
Capital and reserves					
Called up share capital	*14*	**3,760,000**	3,760,000	**3,760,000**	3,760,000
Revaluation reserve	*15*	**2,007,689**	2,091,343	**2,007,689**	2,091,343
Profit and loss account	*15*	**2,621,881**	1,223,523	**2,129,028**	1,217,401
Equity shareholders' funds		**8,389,570**	7,074,866	**7,896,717**	7,068,744

These financial statements were approved by the board of directors on 25/9/02 and were signed on its behalf by:

C De Simone
Director

Consolidated cash flow statement

for the year ended 31 December 2001

	Note	2001 £	2000 £
Cash flow statement			
Cash flow from operating activities	*18*	**(3,778,959)**	2,204,047
Returns on investments and servicing of finance	*19*	**204,873**	207,137
Taxation paid		**(568,041)**	(298,770)
Capital expenditure and financial investment	*19*	**(92,269)**	(1,221,391)
Acquisition and disposal	*19*	**3,950,000**	(3,910,236)
Equity dividends paid		**(600,000)**	(1,300,000)
Cash (outflow)/inflow before management of liquid resources and financing		**(884,396)**	(4,319,213)
Financing	*19*	**(421,271)**	2,073,874
Decrease in cash in the period		**(1,305,667)**	(2,245,339)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		**(1,305,667)**	(2,245,339)
Cash inflow from increase in debt and lease financing		421,271	(2,073,874)
Movement in net debt in the period		**(884,396)**	(4,319,213)
Net debt at the start of the period		**(987,518)**	3,331,694
Net debt at the end of the period		**(1,871,914)**	(987,519)

Notes

at 31 December 2001

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of freehold land and buildings.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and its subsidiary Citalia Transport Ltd. As a consolidated profit and loss account is published, a separate profit and loss of the parent undertaking is omitted from the group accounts by virtue of the exemption granted by section 230 of the Companies Act 1985.

Turnover

Turnover, which relates to continuing activities only, represents total invoiced sales in the United Kingdom, excluding VAT, in respect of tours and travel services for which the company acts as principal.

Marketing costs

All costs incurred in brochure production and distributions, advertising, promotions, exhibitions and market research which relate to the subsequent year's holidays are prepaid and charged in the year to which they relate.

Depreciation

Depreciation is provided so as to write off the cost of fixed assets in equal annual instalments over their estimated useful lives. The rates used are as follows:

Land	-	nil
Freehold buildings	-	4%
Office equipment	-	20%
Motor vehicles	-	33 $^1/_3$%
Computers	-	33 $^1/_3$%

Notes *(continued)*

1 Accounting policies *(continued)*

Deferred taxation

Except as otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods different from their inclusion in the financial statements.

Foreign currencies

Transactions in foreign currencies are translated at the rate ruling on the date of the transaction or the contracted rate if the transaction is covered by a forward exchange contract.

Monetary assets and liabilities denominated in a foreign currency are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

Pensions

The company contributes to a defined contribution pension scheme. Contributions are charged to the accounting period in which they fall due.

Leases and hire purchase commitments

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

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Notes *(continued)*

2 Profit on ordinary activities before taxation

	2001 £	2000 £
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	**275,680**	230,081
Depreciation of assets held under finance lease and hire purchases	**-**	469
Operating lease rentals of motor vehicles	**-**	1,993
Auditor's remuneration - audit services	**24,256**	15,000
- non audit services	**10,000**	65,250
Profit on translation of foreign currency monetary assets and liabilities (included within administration expenses)	**(5,587)**	(1,178,837)

3 Remuneration of directors

	2001 £	2000 £
Emoluments	**400,185**	506,000
Pension contributions	**48,253**	32,130
	448,438	538,130

The amount in respect of the highest paid director are as follows:

Emoluments	**290,175**	452,000
Pension contributions	**33,390**	32,130
	323,565	484,130

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, was as follows:

	Number of employees 2001	2000
	85	73

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	**2,027,759**	2,103,868
Social security costs	**192,449**	277,901
Other pension costs	**98,366**	96,675
	2,318,574	2,478,444

Notes *(continued)*

5 Interest payable

	2001 £	2000 £
Interest payable on bank loans and overdrafts	**126,555**	79,097
Finance charges payable under finance leases and hire purchases	**-**	402
	126,555	79,499

6 Interest receivable

	2001 £	2000 £
Interest receivable on bank deposits	**130,957**	186,833
Interest receivable on amounts due from associated undertakings	**200,471**	99,803
	331,428	286,636

7 Taxation

The tax charge in the 31 December 2001 accounts can be summarised as follows:

Tax on profit on ordinary activities: **(i) Analysis of charge in year**	2001 £	2000 £
Current tax:		
UK corporation tax on profits of the year	**809,047**	353,427
Adjustments in respect of previous periods:		
- permanent	**-**	116,049
Total current tax	**809,047**	469,476
Deferred tax:		
Origination and reversal of timing differences:		
- current year UK	**(71,750)**	46,974
Total deferred tax	**(71,750)**	46,974
Tax on profit on ordinary activities	**737,297**	516,450

(ii) Factors affecting tax charge for year

The tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2001	2000
	£	£
Profit on ordinary activities before tax	**2,652,001**	1,591,029
Profit on ordinary activities at the standard rate of UK corporation tax of 30% (2000: 30%)	**795,600**	477,309
Effects of:		
- Expenses not deductible for tax purposes	**5,262**	(108,754)
- Capital allowances for year in excess of depreciation	**8,185**	(15,128)
- Adjustment to tax charge in respect of previous periods	**-**	116,049
Current tax charge for year	**809,047**	469,476

Notes *(continued)*

8 Tangible fixed assets (Group & Company)

	Freehold land and buildings £	Office equipment and motor vehicles £	Total £
Cost or valuation:			
At 31 December 2000	4,645,000	967,295	5,612,295
Additions	3,108	114,671	117,779
Disposals	-	(51,020)	(51,020)
At 31 December 2001	4,648,108	1,030,946	5,679,054
Depreciation			
At 31 December 2000	-	751,233	751,233
Provided during the year	178,036	97,644	275,680
Disposals	-	(25,510)	(25,510)
At 31 December 2001	178,036	823,367	1,001,403
Net book value			
At 31 December 2001	**4,470,072**	**207,579**	**4,677,651**
At 31 December 2000	4,645,000	216,062	4,861,062

Included in the total net book value of office equipment and motor vehicles is £nil *(2000:£3,281)* in respect of assets held under finance leases and similar hire purchase contracts.

The freehold land and buildings were valued at their open market value for existing use on 31 December 2000. The valuation of the head office, Marco Polo House, at £4,125,000, is based on an external valuation by Stiles Harold Williams and the valuation of the other property, at £520,000, is based on a Director's valuation.

Included in the cost of tangible fixed assets is £nil *(2000:£nil)* in respect of capitalised finance costs.

The group's and company's tangible fixed assets stated at revalued amounts would have been included on an historical cost basis at:

	2001 £	2000 £
Cost	**3,783,810**	3,780,762
Depreciation	**(1,449,361)**	(1,312,859)
	2,334,449	2,467,903

On an historical cost basis, the reported results for the year would have been increased by £41,534 (2000: £25,094).

Notes *(continued)*

9 Investment in subsidiary undertakings

The investments comprises:

	Company	
	2001	2000
	£	£
Citalia Transport Limited, 20,000 ordinary shares of £1 each	**20,000**	20,000
Progetto Venezia	**-**	3,910,236
	20,000	3,930,236

The Company owns the whole of the issued share capital of Citalia Transport Limited (formerly Transport Limited). It is registered in England and Wales. The principal activity of the company is the purchase of airline tickets and other services, which are sold to Citalia Holidays for amounts that are sufficient to cover the costs incurred.

On 13 July 2000, Citalia Holidays Limited acquired 10% equity stake in Progetto Venezia Spa, a company registered in Italy, for £3,910,236. On 7 March 2001, the company sold its stake in Progetto Venezia Spa, for £3,950,000 to release funds for use within the business.

10 Debtors

	Group		Company	
	2001	2000	**2001**	2000
	£	£	**£**	£
Trade debtors	**192,694**	167,570	**192,694**	167,570
Amounts due from affiliated undertakings	**-**	992,385	**-**	992,385
Prepayments	**701,435**	781,823	**701,435**	781,823
Suppliers contracted in advance	**986,740**	740,117	**986,740**	740,117
Other debtors and advances	**150,258**	81,408	**150,258**	81,408
Deferred tax asset	**24,776**	-	**24,776**	-
	2,055,903	2,763,303	**2,055,903**	2,763,303

Notes *(continued)*

11 Creditors: amounts falling due within one year

	Group		Company	
	2001	2000	**2001**	2000
	£	£	**£**	£
Bank loan	**170,000**	170,000	**170,000**	170,000
Bank overdrafts	**1,100,668**	1,351,939	**1,100,668**	1,351,939
Trade creditors	**543,162**	307,885	**543,162**	307,885
Cash received in advance	**814,971**	961,384	**814,971**	961,384
Other creditors and accruals	**2,518,280**	2,360,103	**2,518,280**	2,360,103
Taxes and social security costs	**258,994**	413,438	**258,994**	413,438
Current corporation tax	**459,127**	265,096	**258,371**	265,096
Amounts owed to group undertakings	**-**	131,864	**-**	131,864
Amounts owed to subsidiary undertakings	**-**	-	**713,609**	26,122
	5,865,202	5,961,709	**6,378,055**	5,987,831

12 Creditors: amounts falling due after more than one year

	Group and company 2001	Group and company 2000
	£	£
Bank loans		
Amounts falling due:		
In one year or less	**170,000**	170,000
In more than one year but not more than two years	**170,000**	170,000
In more than two years but not more than five years	**510,000**	510,000
In more than five years	**590,000**	760,000
Less: Creditors: amounts falling due within one year (note 12)	**(170,000)**	(170,000)
	1,270,000	1,440,000

The bank loan is secured by fixed charges over the company's freehold property, Marco Polo House. The interest rate payable on the loan is 1 percentage point above LIBOR.

13 Provisions for liabilities and charges

	Group and company deferred taxation
	£
At 1 January 2000	**46,974**
Credited in the year costs incurred	**(71,750)**
Transferred to debtors (note 14)	**24,776**
At 31 December 2001	**-**

The net deferred tax asset as at 31 December is as follows:

	2001 £	2000 £
Accelerated capital allowances	**20,224**	46,974
Other short term timing differences	**(45,000)**	
	(24,776)	46,974

There is no unprovided deferred taxation at either 31 December 2001 or 31 December 2000.

14 Called up equity share capital

	2001 £	2000 £
Authorised, allotted, called up and fully paid:		
3,760,000 ordinary shares of £1 each	**3,760,000**	3,760,000

Notes *(continued)*

15 Share premium and reserves

Group	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2001	2,091,343	1,223,523	3,314,866
Profit for the year	-	1,314,704	1,314,704
Transfers of depreciation on revalued fixed assets	(83,654)	83,654	-
At 31 December 2001	**2,007,689**	**2,621,881**	**4,629,570**
Company			
At 1 January 2001	2,091,343	1,217,401	3,308,744
Profit for the year	-	827,973	827,973
Transfers of depreciation on revalued fixed assets	(83,654)	83,654	-
At 31 December 2001	**2,007,689**	**2,129,028**	**4,136,717**

16 Commitments

At 31 December 2001 the group and companies had the following financial commitments

	2001 £	2000 £
Contracted		
Foreign currency purchases	**19,270,810**	13,764,625
Hotel costs	**3,328,582**	2,628,147
	22,599,392	16,392,772

17 Pension scheme

The group operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held separately from those of the company by an independent professional company.

Notes *(continued)*

18 Reconciliation of operating profit to net operating cash flow

	2001 £	2000 £
Operating profit	**2,447,128**	1,383,892
Depreciation, amortisation and impairment charges	**275,680**	230,550
Profit on sale of fixed assets	**(39,764)**	-
Increase in debtors	**(6,375,762)**	(1,667,787)
Increase/(decrease) in creditors	**(86,241)**	2,257,393
Net cash (outflow)/inflow from operating activities	**(3,778,959)**	2,204,047

19 Analysis of cash flows

	2001 £	2000 £
Returns on investment and servicing of finance		
Interest received	**331,428**	286,636
Interest paid	**(126,555)**	(79,499)
	204,873	207,137
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(117,779)**	(1,221,391)
Sale of plant and machinery	**25,510**	-
	(92,269)	(1,221,391)
Acquisitions and disposals		
Purchase of subsidiary undertaking	**-**	(3,910,236)
Sale of business	**3,950,000**	-
	3,950,000	(3,910,236)
Financing		
Debt due within one year:		
(Decrease)/increase in short-term borrowing	**(251,271)**	633,874
Repayment of secured loan	**(170,000)**	-
Debt due after more than one year:		
New secured loan repayable	**-**	1,440,000
	(421,271)	2,073,874

20 Related party disclosures

The company is a wholly owned subsidiary of Maraheath Limited. The ultimate controlling party is First Choice Holidays PLC.

The company has had transactions, during the year under review, with related parties as defined in FRS 8 as follows:

- Mr G Gandolfi was a director who resigned on the 12 March 2001, and is the controlling party of Electa Holdings. This company had a contract to manage Citalia Holidays Ltd's foreign currency purchases. As at 31 December 2001, the amount of commitments under Italian Lira forward purchase contracts with Electa Holdings S.p.A totalled £2,000,000 *(2000: £992,383).*
- Italian Lira Forward Purchase contracted in 2001 with the ultimate parent company First Choice Holidays PLC amounted to £6,838,168. As at 31 December 2001, the amount contracted with First Choice Holidays PLC for 2002 was £19,270,810 *(2000:£nil).*
- As at 31 December 2001, 'amounts due from parent undertakings' include a loan granted for £3,350,000 to Maraheath Ltd, the company's sole shareholder. The sum owed is to be set off against dividends in forthcoming financial years.

21 Ultimate parent company

First Choice Holidays PLC, a company registered in England and Wales is the ultimate parent company. The immediate holding company is Maraheath Limited. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Citalia Holidays Limited is a member and for which consolidated company accounts are dawn up. Copies of the these group accounts are available from the Company Secretary, First Choice Holidays PLC, First Choice House, London Road, Crawley, West Sussex RH10 9GX.