

BAKERS DOLPHIN GROUP TOURS LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED**

31 October 2006



Registered Number : 1000477

BAKERS DOLPHIN GROUP TOURS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2006

The directors submit their report and accounts of Bakers Dolphin Group Tours Limited for the year ended 31 October 2006

Principal activity

The Company's principal activity was the sale of organised tours but the business has now been discontinued. The Company has met the requirements in the Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review

Results and dividends

The Company's loss before taxation for the year was £Nil (2005 loss of £393,569)
The Directors do not propose a dividend for the year ended 31 October 2006 (2005 £Nil)

Directors and their interests

The Directors of the Company at the date of this report are

First Choice Holidays & Flights Limited
M R Prior
C L Haines (appointed 22 September 2006)

Miss L J Vincent resigned on 22 September 2006

None of the Directors had any beneficial interest in the shares of the Company or any subsidiary undertaking at any time during the year

At 31 October 2006, the interests of the directors in the ordinary share capital and share options of the ultimate parent company, First Choice Holidays PLC, were as follows

	**Ordinary Shares		*Share Awards	
	31 October 2006	31 October 2005	Granted	Exercised
M R Prior	3,386	2,534	16,358	41,262

* Includes shares awarded under the Restricted Share Plan and Performance Share Plan

** Includes shares purchased under the Share Incentive Plan

Statement as to disclosure of information to auditors

The directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' insurance

The ultimate parent company maintains insurance policies on behalf of all the Directors of the Company against liability arising from negligence, breach of duty and breach of trust in relation to the Company

Auditors

The Company has elected to dispense with the holding of annual general meetings, the laying of accounts before the members in general meetings and the appointment of auditors annually. Accordingly KPMG Audit Plc will continue in office as auditors

By order of the Board


C L Haines
Director

Dated 17 August 2007

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law

BAKERS DOLPHIN GROUP TOURS LIMITED

Independent auditor's report to the members of Bakers Dolphin Group Tours Limited

We have audited the financial statements of Bakers Dolphin Group Tours Limited for the year ended 31 October 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. 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 auditor's 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit PLC

KPMG Audit Plc

Chartered Accountants

Registered Auditor

8 Salisbury Square, London, EC4Y 8BB

17 August 2007

BAKERS DOLPHIN GROUP TOURS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2006

	Note	Year ended 31 October 2006 £'000	Year ended 31 October 2005 £'000
Admininstration expenses		-	(393)
Operating loss and loss on ordinary activities before taxation	2	-	(393)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year	7	-	(393)

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

All results arose from discontinued activities

BAKERS DOLPHIN GROUP TOURS LIMITED

BALANCE SHEET
As at 31 October 2006

	Note	Year ended 31 October 2006 £'000	Year ended 31 October 2005 £'000
Fixed assets			
Investments	4	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	5	120	120
Profit and loss account	6	(120)	(120)
Equity shareholders' funds	7	-	-

The notes on pages 8 to 10 form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 17 August 2007



C L Haines
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2006

1 ACCOUNTING POLICIES

Basis of Preparation

The following accounting policies have been consistently applied, in dealing with items considered material in relation to the Accounts

Accounting convention

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

Cashflow statement

The Company is exempt from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cashflow statement as it is a wholly owned subsidiary of First Choice Holidays PLC and its cashflows are included within the consolidated cash flow statement of the group

Basis of consolidation

The Company is exempt from preparing consolidated financial statements on the grounds that it is a wholly owned subsidiary and is included in the consolidated accounts of its ultimate parent undertaking, First Choice Holidays PLC. The consolidated financial statements of First Choice Holidays PLC, which include the Company, are publicly available (address given in note 8). These financial statements therefore present information about the Company as an individual undertaking and not as a group.

New Financial Reporting Standards

In these financial statements, the following new Financial Reporting Standards have been adopted for the first time

FRS 21 Events after the balance sheet date

Under previous UK GAAP, dividends proposed after the balance sheet date but before the financial statements were approved, were recorded as liabilities in the financial statements. During the year, the Company has adopted FRS 21. This requires dividends to be recorded as liabilities in the financial statements only in the period in which they are approved for payment and are no longer at the discretion of the Company. As no dividends were proposed at 31 October 2005 and 31 October 2004, this change in accounting policy has not impacted these financial statements.

FRS 25 Financial instruments – presentation and disclosure

The presentational requirements of this new standard have not impacted these financial statements.

FRS 28 Corresponding amounts

This has no effect because it comprises the same requirements for comparative information as previously required by the Companies Act 1985.

Investments

Investments in subsidiary undertakings are stated at cost less any diminution in value.

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.

Related parties

The Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" as it is a wholly owned subsidiary of First Choice Holidays PLC. Therefore the Company has not disclosed transactions or balances with entities which form part of the group headed by First Choice Holidays PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 October 2006

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION***Auditors' remuneration***

In 2006 and 2005, auditors' remuneration was paid by another Group company. The audit fee relating to the company was as follows:

	2006 £'000	2005 £'000
Audit of these financial statements	1	1

Fees paid to the company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated accounts of the company's ultimate parent, First Choice Holidays PLC.

Directors' emoluments are borne by another group company.

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax in the 31 October 2006 accounts can be summarised as follows:

i) Factors affecting tax credit for year

The tax charge in 2006 is £nil. The tax credit in 2005 was lower than the standard rate of corporation tax. The differences are explained below:

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	-	(393)
Loss on ordinary activities at the standard rate of UK Corporation tax of 30% (2005: 30%)	-	(118)
Effects of:		
- Amounts not deductible for tax purposes	-	118
Current tax credit for year	-	-

4 INVESTMENTS IN SUBSIDIARY UNDERTAKING

	2006 £'000	2005 £'000
Investment in subsidiary undertaking at cost	-	2
Disposal	-	(2)
	-	-

5 CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised		
200,000 ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
120,000 ordinary shares of £1 each	120	120

BAKERS DOLPHIN GROUP TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 October 2006

6 PROFIT AND LOSS ACCOUNT

	£'000
Retained loss at 1 November 2005	(120)
Loss for the year	-
Retained loss at 31 October 2006	<u>(120)</u>

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Loss for the year	-	(393)
Equity Shareholders' funds at start of year	-	393
Equity Shareholders' funds at end of year	<u>-</u>	<u>-</u>

8 ULTIMATE PARENT UNDERTAKING

First Choice Holidays PLC, a company registered in England and Wales, is the ultimate parent company. The immediate holding company is JNB (Bristol) Limited. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Bakers Dolphin Group Tours Limited is a member and for which Group accounts are drawn up. Copies of these Group accounts are available from the Company Secretary, First Choice House, London Road, Crawley, West Sussex, RH10 9GX.