

BAKERS DOLPHIN GROUP TOURS LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 OCTOBER 2000**



Registered Number : 1000477

BAKERS DOLPHIN GROUP TOURS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and financial statements of Bakers Dolphin Group Tours Limited for the year ended 31 October 2000.

PRINCIPAL ACTIVITY

The Company's principal activity is the sale of organised tours.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £131,000 (1999 : £13,058). The Directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

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

RW Daniel (Appointed 31 August 2001)

S McLeod (Appointed 25 April 2000)

Other directors who served in the year were as follows :

KF Abbey (Resigned 25 April 2000)

D Blastland (Resigned 29 February 2000)

D Howell (Resigned 3 May 2001)

KC Ivie (Resigned 20 April 2001)

PJ Long (Resigned 25 April 2000)

D Witten (Resigned 29 Feb 2000)

None of the Directors had any beneficial interest in the shares of the Company at any time during the year.

Interests in shares and options

At the 31 October 2000 the interests of the Directors in the ordinary share capital of the ultimate parent company, First Choice Holidays PLC, were as follows:

	Shares		Options				Restricted Shares	
	31 October 2000	31 October 1999	31 October 1999	Granted	Exercised	31 October 2000	31 October 2000	31 October 1999
Ordinary shares								
S McLeod	1,500	1,500	2,079	4,118	-	6,197	59,261	52,170
K Ivie	1,997	29,059	81,693	3,269	-	84,902	169,706	104,290

Share options granted to S McLeod and outstanding at the year end under the Savings Related Share Option Scheme are set out below together with shares awarded under the Restricted Share Plan.

	No. of shares	Option exercise price	Date first exercisable
Restricted Share Plan	47,539	-	17-Dec-00
Restricted Share Plan	4,631	-	06-Oct-01
Restricted Share Plan	7,091	-	15-Dec-02
Savings Related Share Option Scheme	2,079	116.00p	01-Nov-01
Savings Related Share Option Scheme	4,118	97.60p	01-Oct-05

The interests of D Howell are disclosed in the Annual Report and Accounts of First Choice Holidays PLC.

AUDITORS

The Company has elected to dispense with the holding of annual general meetings, the laying of accounts before the members in general meeting and the appointment of auditors annually.

Accordingly, KPMG Audit Plc will continue in office as auditors.

By order of the Board

S McLeod

Director

Dated :

23 November 2001

BAKERS DOLPHIN GROUP TOURS LIMITED

DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to :

- select suitable accounting policies and 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
- 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.

BAKERS DOLPHIN GROUP TOURS LIMITED

REPORT OF THE AUDITORS

To the members of Bakers Dolphin Group Tours Limited

We have audited the financial statements set out on pages 5 to 10.

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. 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 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 the Company's affairs as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

WMC Audit Plc

KPMG AUDIT PLC

REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

LONDON

30 November 2001

BAKERS DOLPHIN GROUP TOURS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2000

	Notes	Year ended 31 October 2000 £000	Year ended 31 October 1999 £000
TURNOVER	2	1,620	1,462
Cost of sales		<u>(1,118)</u>	<u>(1,175)</u>
GROSS PROFIT		502	287
Administrative expenses		(315)	(295)
Other operating income		<u>0</u>	<u>14</u>
OPERATING PROFIT		187	6
Interest receivable and similar income	2	0	7
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2-4	<u>187</u>	<u>13</u>
Taxation	5	(56)	0
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	<u><u>131</u></u>	<u><u>13</u></u>

All results arose from continuing activities.

There were no recognised gains or losses other than the result for the financial year.

BAKERS DOLPHIN GROUP TOURS LIMITED

BALANCE SHEET
At 31 October 2000

		31 October 2000	31 October 2000	31 October 1999	31 October 1999
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Investments	6		2		2
Tangible assets	7		19		24
			<u>21</u>		<u>26</u>
CURRENT ASSETS					
Stocks	8	0		1	
Debtors	9	129		186	
Cash at bank and in hand		<u>1,089</u>		<u>421</u>	
		1,218		607	
CREDITORS : amounts falling due within one year	10	<u>(1,001)</u>		<u>(527)</u>	
NET CURRENT ASSETS			217		80
NET ASSETS			<u>238</u>		<u>106</u>
CAPITAL AND RESERVES					
Called up share capital	12		120		120
Profit and loss account	13		118		(13)
SHAREHOLDERS' FUNDS	14		<u>238</u>		<u>107</u>

The financial statements were approved by the Board of Directors
on 23 November 2001

S McLeod
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2000

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

Accounting convention

The accounts have been prepared in accordance with ap historical cost convention.

Cashflow statement

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

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 a group headed by First Choice Holidays PLC.

Deferred taxation

Deferred taxation is provided for, using the liability method, on all material timing differences to the extent that the liability is expected to crystallise in the foreseeable future.

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discou

Depreciation

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Furniture and equipment	10% per annum straight line
Computer equipment	33 1/3 % per annum straight line
Vehicles	25% per annum straight line

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 October 2000 £000	Year ended 31 October 1999 £000
Turnover and profit on ordinary activities before taxation are attributable to the sale of organised tours. The profit on ordinary activities is stated after charging :		
Auditors remuneration	1	1
Depreciation-owned tangible fixed assets	5	8

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 October 2000 £000	Year ended 31 October 1999 £000
Other interest receivable	-	7

BAKERS DOLPHIN GROUP TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2000

4. DIRECTORS AND EMPLOYEES

	2000 £000	1999 £000
Staff costs during the year were as follows :		
Wages and salaries	264	297
Social security costs	25	27
Pension costs	1	2
Education and staff expenses	-	12
	<u>290</u>	<u>338</u>
	31 October 2000 Number	31 October 1999 Number

The average number of employees (including directors) of the company during the year was 16 (1999 : 20) made up as follows:

Administration and management	5	7
Sales	<u>11</u>	<u>13</u>
	<u>16</u>	<u>20</u>

Directors received no remuneration from this Company.

5. TAXATION

	31 October 2000 £000	31 October 1999 £000
Corporation tax at 30%	<u>56</u>	<u>-</u>

6. FIXED ASSET INVESTMENT

The fixed asset investment comprises the whole of the share capital of TSI Transport Limited, and this is carried at cost. The nature of the business is that of the provision of transport services.

The aggregate amount of the capital and reserves of TSI Transport Limited at 31 October 2000 was £7,000 (1999 : £7,000). The profit for the period ended 31 October 2000 was £Nil (1999 : £3,000).

7. TANGIBLE FIXED ASSETS

	Computers, furniture and equipment £000	Vehicles £000	Total £000
Cost			
At beginning of year	35	24	59
Additions			
At end of year	<u>35</u>	<u>24</u>	<u>59</u>
Depreciation			
At beginning of year	21	14	35
Charge for the year	3	2	5
At end of year	<u>24</u>	<u>16</u>	<u>40</u>
Net book value			
At 31 October 2000	<u>11</u>	<u>8</u>	<u>19</u>
At 31 October 1999	<u>14</u>	<u>10</u>	<u>24</u>

BAKERS DOLPHIN GROUP TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2000

8. STOCKS

	31 October 2000 £000	31 October 1999 £000
Promotional literature	-	1

9. DEBTORS

	31 October 2000 £000	31 October 1999 £000
Trade debtors	42	16
Amounts owed by group undertakings	81	154
Prepayments and accrued income	3	13
Other debtors	3	3
	<u>129</u>	<u>186</u>

All debtors fall due within one year.

10. CREDITORS : amounts falling due within one year

	31 October 2000 £000	31 October 1999 £000
Bank loans and overdrafts	-	-
Trade creditors	37	45
Amounts owed to group undertakings	869	347
Other creditors	3	19
Accruals and deferred income	92	116
	<u>1,001</u>	<u>527</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

No provision is required for deferred taxation.

12. SHARE CAPITAL

	31 October 2000 £000	31 October 1999 £000
Authorised : 200,000 ordinary shares of £1 each	<u>200</u>	<u>200</u>
Allotted, called up and fully paid : 120,000 ordinary shares of £1 each	<u>120</u>	<u>120</u>

BAKERS DOLPHIN GROUP TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2000

13. RESERVES

	31 October 2000 £000	31 October 1999 £000
Profit and loss account		
At beginning of year	(13)	(26)
Retained profit for year	131	13
At end of year	<u>118</u>	<u>(13)</u>

14. MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	31 October 2000 £000	31 October 1999 £000
Profit for the financial year	131	13
Opening shareholders funds	<u>107</u>	<u>94</u>
	<u>238</u>	<u>107</u>

15. CAPITAL COMMITMENTS

The Company had no capital commitments at 31 October 2000 or at 31 October 1999.

16. CONTINGENT LIABILITIES

The Company has bonds outstanding to third parties totalling £nil (1999 : £712,500)

17. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

First Choice Holidays PLC, a company registered in England and Wales, is the ultimate parent company. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Bakers Dolphin Group Tours is a member and for which group accounts are drawn up. Copies of these group accounts are available from the Company Secretary, First Choice Holidays PLC, First Choice House, London Road, Crawley, West Sussex, RH10 2GX.

18. PENSIONS

The company operates a defined contribution pension scheme. The pension costs charged for the year represents contributions payable by the Company to the fund and amounts to £1,000 (1999 : £2,000). The assets of the scheme are administered by Trustees in a fund independent from those of the Company.