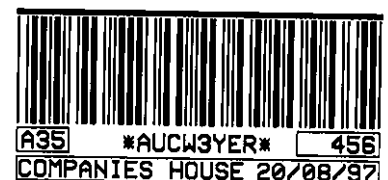


MARTIN ROOKS LIMITED
Directors' Report and Financial Statements

for the year ended 31 October 1996

Company Number 1924996



MARTIN ROOKS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1996

FINANCIAL STATEMENTS

The Directors present their report and financial statements of Martin Rooks Limited for the year ended 31 October 1996.

PRINCIPAL ACTIVITY

The Company did not conduct any business activities during the year and continues to act as an intermediate holding company.

RESULTS AND DIVIDENDS

The profit for the year before taxation was £nil (1995: profit £103,394). The Directors do not propose a dividend for the year 1996 (1995: £nil). No amount has been transferred to or from reserves (1995: deficit £2,907,160).

DIRECTORS AND THEIR INTERESTS

The Directors of the Company are:

R Roger	(appointed 1 January 1996)
L Moir	(appointed 3 February 1997)
P W Phillipson	(appointed 1 January 1996 and resigned 6 September 1996)
M B Heald	(resigned 11 December 1995)
R J G Starling	(resigned 1 January 1996)
D A Gill	(appointed 11 December 1995 and resigned 31 January 1997)

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

At the 31 October 1996 the interests of the Directors in the share capital of First Choice Holidays PLC, the ultimate parent company, were as follows:

	At 31 October 1996			At 31 October 1995		
	Ordinary Shares		Preference Shares	Ordinary Shares		Preference Shares
	Held	Within Restricted Share Plan	Held	Held	Within Restricted Share Plan	Held
R Roger	15,000	44,789	-	-	-	-

MARTIN ROOKS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1996

During the year R Roger was awarded 44,789 shares under the Restricted Share Plan. Under the terms of the Plan, these shares will only vest if certain performance criteria, as determined by the Remuneration Committee, are met. Further details of these performance criteria are set out in the Report of the Directors in the Annual Report and Accounts of First Choice Holidays PLC.

The interests of D A Gill are disclosed in the accounts of First Choice Holidays PLC.

POLICY ON PAYMENTS OF SUPPLIERS

It is the Company's policy that payments to suppliers, whether in advance or after the provision of the goods or services, are made on the basis of the terms that have been agreed with them.

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; 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 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.

MARTIN ROOKS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1996

AUDITOR

In accordance with Section 385 of the Companies Act 1985, a resolution regarding the re-appointment of KPMG Audit Plc as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'R J G Starling', written in a cursive style.

R J G Starling
Secretary

15 July 1997

AUDITORS' REPORT
to the members of MARTIN ROOKS LIMITED
for the year ended 31 October 1996

We have audited the financial statements on pages 5 to 9

Respective responsibilities of directors and auditors

As described in the Directors' Report, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

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 1996 and of its result 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
London

28 July 1997

MARTIN ROOKS LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 October 1996**

	Notes	Continuing Operations 1996 £	Continuing Operations 1995 £
Income from shares in group undertakings	5	-	103,394
Profit on ordinary activities before taxation		<hr/> -	<hr/> 103,394
Tax on profit on ordinary activities	6	-	(3,010,554)
Retained loss for the year		<hr/> -	<hr/> (2,907,160)
Profit and Loss account brought forward		(3,981,980)	(1,074,820)
Profit and Loss account carried forward		<hr/> (3,981,980) <hr/>	<hr/> (3,981,980) <hr/>

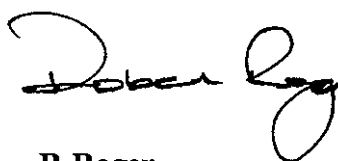
The Company had no other recognised gains or losses for either year.

MARTIN ROOKS LIMITED**BALANCE SHEET**

as at 31 October 1996

	<u>Notes</u>	1996	1995
		£	£
FIXED ASSETS			
Investments	7	607,017	607,017
CURRENT ASSETS			
Debtors	8	157,372	4,333,442
CREDITORS: amounts falling due within one year	9	(4,746,367)	(8,922,437)
Net Current Liabilities		(4,588,995)	(4,588,995)
Net Liabilities		(3,981,978)	(3,981,978)
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		(3,981,980)	(3,981,980)
Equity Shareholders' funds		(3,981,978)	(3,981,978)

The financial statements on pages 5 to 9 were approved by the Board on 15 July 1997 and signed on their behalf by:



R Roger
Director

MARTIN ROOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1996

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards consistently applied.

The accounts have been prepared on a going concern basis which the Directors believe is appropriate, as the ultimate holding company, First Choice Holidays PLC, has indicated its willingness to ensure the obligations and liabilities of the Company are met as they fall due.

Group financial statements

The Company has not produced group financial statements because it is a wholly owned subsidiary of a UK company which has prepared group financial statements.

Cash flow

The company is exempt under Financial Reporting Standard No.1 from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a UK company.

2. EMPLOYEES

The Company had no employees during the year (1995: nil)

3. DIRECTORS

The Directors received no remuneration during the year (1995: £nil)

4. AUDITORS

The auditor's remuneration in both years was borne by a fellow subsidiary undertaking.

MARTIN ROOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1996 (continued)

5. INCOME FROM SHARES

	1996	1995
	£	£
Income from shares in subsidiary undertakings	<u>-</u>	<u>103,394</u>

6. TAXATION

	1996	1995
	£	£
Deferred tax under provision in respect of prior years	-	3,010,554
	<u>-</u>	<u>3,010,554</u>

The under provision of deferred tax in 1995 arose from the cancellation of amounts receivable from group companies in respect of group loss relief provisions.

7. INVESTMENTS:

	Shares in subsidiary companies £
Cost	
At 1 November 1995 and 31 October 1996	<u>970,086</u>
Provision for diminution in value	
At 1 November 1995 and 31 October 1996	<u>(363,069)</u>
Net book value at 1 November 1995 and 31 October 1996	<u>607,017</u>

Principal Subsidiary Undertakings	% held	Nature of Business	Country of Registration
Air 2000 Leasing Ltd	100	Leasing	England and Wales
Symi Investments Ltd	100	Investment	England and Wales

MARTIN ROOKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1996

8. DEBTORS

	1996	1995
	£	£
Amounts owed by fellow subsidiary undertakings	54,006	4,221,207
Amounts owed by subsidiary undertakings	103,362	103,362
Amounts owed by parent	4	-
Other debtors	-	8,873
	<u>157,372</u>	<u>4,333,442</u>

9. CREDITORS: amounts falling due within one year

	1996	1995
	£	£
Amounts owed to fellow subsidiary undertakings	4,746,367	8,854,100
Other creditors	-	292
Accruals	-	68,045
	<u>4,746,367</u>	<u>8,922,437</u>

10. SHARE CAPITAL

	1996	1995
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of First Choice Holidays PLC, a company registered in England and Wales. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Martin Rooks Ltd is a member and for which group accounts are drawn up. Copies of those group accounts are available from, The Company Secretary, First Choice Holidays PLC, First Choice House, London Road, Crawley, West Sussex, RH10 2GX.