



**First Choice**

**FALCON LEISURE GROUP (OVERSEAS) LIMITED  
DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS**

**for year ended  
31 October 2001**

**Company Number 2220337**



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COMPANIES HOUSE 05/03/02

# **FALCON LEISURE GROUP (OVERSEAS) LIMITED**

## **DIRECTORS' REPORT** **for year ended 31 October 2001**

The Directors present their report and financial statements of Falcon Leisure Group (Overseas) Limited for the year ended 31 October 2001.

### **PRINCIPAL ACTIVITY**

The Company is registered in England and its principal activity is tour operating within Eire.

### **RESULTS AND DIVIDENDS**

The profit for the year after tax was £5,550,512 (2000: profit £3,871,055). The Directors do not propose the payment of a dividend (2000: £NIL).

### **DIRECTORS AND THEIR INTERESTS**

The Directors at the date of this report are:

C Donnelly  
D A Mooney (Appointed 1 November 2000)  
C A O'Neill (Appointed 1 November 2000)  
J S Ryan (Appointed 1 November 2000)  
D Shearer (Appointed 1 November 2000)  
W Smith  
H Thomas

Other directors who served in the year were as follows:

D Howell (Resigned on 1 November 2000)

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

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

|                            | <b>---Ordinary Shares---</b> |                       |                       | <b>-----Options-----</b> |           |         | <b>-----Restricted Shares-----</b> |                       |                 |                   |                       |
|----------------------------|------------------------------|-----------------------|-----------------------|--------------------------|-----------|---------|------------------------------------|-----------------------|-----------------|-------------------|-----------------------|
|                            | 31<br>October<br>2001        | 31<br>October<br>2000 | 31<br>October<br>2000 | Granted                  | Exercised | Lapsed  | 31<br>October<br>2001              | 31<br>October<br>2000 | Granted<br>2000 | Exercised<br>2001 | 31<br>October<br>2001 |
| <b>Ordinary<br/>Shares</b> |                              |                       |                       |                          |           |         |                                    |                       |                 |                   |                       |
| C Donnelly                 | -                            | -                     | 4,583                 | 2,471                    | -         | (4,583) | 2,471                              | 16,307                | 6,378           | -                 | 22,685                |
| DA<br>Mooney               | -                            | -                     | -                     | -                        | -         | -       | -                                  | 13,411                | 25,243          | -                 | 38,654                |
| CA O'Neill                 | -                            | -                     | -                     | -                        | -         | -       | -                                  | -                     | 10,701          | -                 | 10,701                |
| JS Ryan                    | 6,426                        | 2,603                 | 6,601                 | -                        | (3,782)   | (2,819) | -                                  | 19,494                | 7,622           | -                 | 27,116                |
| D Shearer                  | -                            | -                     | -                     | -                        | -         | -       | -                                  | 11,835                | 4,530           | -                 | 16,365                |
| W Smith                    | -                            | -                     | -                     | -                        | -         | -       | -                                  | 78,458                | 24,536          | (57,567)          | 45,427                |
| H Thomas                   | 29,056                       | 39,199                | 6,601                 | -                        | -         | -       | 6,601                              | 29,467                | 89,431          | (6,760)           | 112,138               |

## **FALCON LEISURE GROUP (OVERSEAS) LIMITED**

### **DIRECTORS' REPORT for year ended 31 October 2001**

Share options exercised during the year were as follows:

|          | Share Scheme          | Date option exercised | Number of options exercised |
|----------|-----------------------|-----------------------|-----------------------------|
| JS Ryan  | SAYE Scheme           | 5 July 2001           | 3,223                       |
|          | SAYE Scheme           | 5 July 2001           | 559                         |
| W Smith  | Restricted Share Plan | 6 February 2001       | 36,361                      |
|          | Restricted Share Plan | 25 July 2001          | 14,851                      |
|          | Restricted Share Plan | 25 October 2001       | 6,355                       |
| H Thomas | Restricted Share Plan | 23 October 2001       | 6,760                       |

Share options granted to the Directors and outstanding at the year end under the Restricted Share Plan and SAYE scheme are set out below.

|                       | No. of shares | Option exercise price | Date exercisable |
|-----------------------|---------------|-----------------------|------------------|
| <b>C Donnelly</b>     |               |                       |                  |
| Restricted Share Plan | 11,087        | -                     | 11 August 2002   |
| Restricted Share Plan | 5,220         | -                     | 15 December 2002 |
| Restricted Share Plan | 6,378         | -                     | 12 December 2003 |
| SAYE Scheme           | 2,471         | 97.6p                 | 1 October 2003   |
| <b>DA Mooney</b>      |               |                       |                  |
| Restricted Share Plan | 9,163         | -                     | 11 August 2002   |
| Restricted Share Plan | 4,248         | -                     | 15 December 2002 |
| Restricted Share Plan | 25,243        | -                     | 12 December 2003 |
| <b>CA O'Neill</b>     |               |                       |                  |
| Restricted Share Plan | 10,701        | -                     | 12 December 2003 |
| <b>JS Ryan</b>        |               |                       |                  |
| Restricted Share Plan | 13,254        | -                     | 11 August 2002   |
| Restricted Share Plan | 6,240         | -                     | 15 December 2002 |
| Restricted Share Plan | 7,622         | -                     | 12 December 2003 |
| <b>D Shearer</b>      |               |                       |                  |
| Restricted Share Plan | 8,067         | -                     | 11 August 2002   |
| Restricted Share Plan | 3,768         | -                     | 15 December 2002 |
| Restricted Share Plan | 4,530         | -                     | 12 December 2003 |
| <b>W Smith</b>        |               |                       |                  |
| Restricted Share Plan | 4,527         | -                     | 6 April 2002     |
| Restricted Share Plan | 16,364        | -                     | 15 December 2002 |
| Restricted Share Plan | 24,536        | -                     | 12 December 2003 |
| <b>H Thomas</b>       |               |                       |                  |
| Restricted Share Plan | 4,816         | -                     | 6 April 2002     |
| Restricted Share Plan | 17,891        | -                     | 15 December 2002 |
| Restricted Share Plan | 89,431        | -                     | 12 December 2003 |
| SAYE Scheme           | 3,724         | 116.0p                | 1 November 2001  |
| SAYE Scheme           | 2,877         | 97.6p                 | 1 October 2003   |

For full details on the above schemes, reference should be made to the Annual Report & Accounts of First Choice Holidays PLC.

### **POLICY AND PRACTICE ON PAYMENT OF SUPPLIERS**

Due to the nature of the Company's operations and common to the industry as a whole, payments are often made in advance of the provision of goods and services. It is Company 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.

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**FALCON LEISURE GROUP (OVERSEAS) LIMITED****DIRECTORS' REPORT  
for year ended 31 October 2001**

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**INTRODUCTION OF THE EURO**

The Company has made preparations to trade and operate in the Euro and this has been achieved without significant additional costs being incurred.

**EMPLOYMENT POLICY****Involvement, Health, Safety and Disability Policies**

The Company recognises the importance of involving and developing its employees wherever practical. Employees are updated on corporate performance, business objectives and developments through various formal and informal channels of communication in order to promote a better understanding of the Company's businesses. Involvement of employees in the Company's performance is also encouraged by the availability of performance related bonuses as well as share option and similar schemes.

It is the Company's policy to place the utmost importance upon and maintain a high standard of health and safety at work. It is our responsibility to endeavour to ensure the prevention of personal injuries and to investigate and encourage means by which the health, safety and welfare of employees can be improved. Accordingly, all safety precautions are kept under review to ensure that the highest standards are maintained.

Where it is reasonable and practical, all employees, including disabled people, are treated in the same way in matters relating to employment, training, career development and promotion. Proper attention is paid to the opportunities, training and work prospects of people who become disabled during their employment with the Company.

**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.

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****DIRECTORS' REPORT  
for year ended 31 October 2001**

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**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**



**J S Ryan  
Director**

**26 February 2002**

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES  
for year ended 31 October 2001**

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**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 a 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

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****INDEPENDENT AUDITORS' REPORT  
to the members of FALCON LEISURE GROUP (OVERSEAS) LIMITED**

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We have audited the financial statements on pages 7 to 14.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the directors' report and, as described on page 5, 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 the Company's affairs as at 31 October 2001 and of its profit 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**

**Date:** 27 FEBRUARY 2002

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 31 October 2001**

|                                                     | <i>Note</i> | <i>Continuing<br/>Operations<br/>2001<br/>£</i> | <i>Continuing<br/>Operations<br/>2000<br/>£</i> |
|-----------------------------------------------------|-------------|-------------------------------------------------|-------------------------------------------------|
| <b>Turnover</b>                                     |             | 81,499,890                                      | 79,604,962                                      |
| <b>Cost of Sales</b>                                |             | (70,540,309)                                    | (69,813,247)                                    |
| <b>Gross Profit</b>                                 |             | 10,959,581                                      | 9,791,715                                       |
| Operating Expenses                                  |             | (4,487,280)                                     | (4,285,773)                                     |
| Exceptional Items                                   | 2           | (21,224)                                        | -                                               |
| <b>Operating profit</b>                             |             | 6,451,077                                       | 5,505,942                                       |
| Interest Receivable                                 |             | 603,051                                         | 23,388                                          |
| <b>Profit on ordinary activities<br/>before tax</b> | 3           | 7,054,128                                       | 5,529,330                                       |
| Tax on profit on ordinary activities                | 5           | (1,503,616)                                     | (1,658,275)                                     |
| <b>Retained profit for the year</b>                 |             | 5,550,512                                       | 3,871,055                                       |

The Company has no other recognised gains or losses for the year.

A note on historical cost profits and losses has not been included as part of these financial statements as there is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.



**FALCON LEISURE GROUP (OVERSEAS) LIMITED****BALANCE SHEET**

for the year ended 31 October 2001

|                                       | <i>Note</i> | <i>2001</i><br>£   | <i>2000</i><br>£   |
|---------------------------------------|-------------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                 |             |                    |                    |
| Debtors                               | 6           | 25,728,863         | 18,748,300         |
| Cash in Hand and at Bank              |             | 332,524            | 205,392            |
|                                       |             | <u>26,061,387</u>  | <u>18,953,692</u>  |
| <b>CREDITORS:</b>                     |             |                    |                    |
| Amounts falling due within one year   | 7           | <u>(7,878,038)</u> | <u>(6,320,855)</u> |
| <b>Net Current Assets</b>             |             | <u>18,183,349</u>  | <u>12,632,837</u>  |
| <b>CAPITAL AND RESERVES</b>           |             |                    |                    |
| Called up Share Capital               | 9           | 1,125,000          | 1,125,000          |
| Profit and Loss Account               | 10          | 16,097,675         | 10,547,163         |
| Other Reserves                        | 11          | <u>960,674</u>     | <u>960,674</u>     |
| Shareholders' funds                   |             | <u>18,183,349</u>  | <u>12,632,837</u>  |
| <b>SHAREHOLDERS' FUNDS</b>            |             |                    |                    |
| <b>Shareholders' funds comprises:</b> |             |                    |                    |
| Equity                                |             | 17,568,349         | 12,017,837         |
| Non Equity                            |             | <u>615,000</u>     | <u>615,000</u>     |
| <b>Shareholders' funds</b>            |             | <u>18,183,349</u>  | <u>12,632,837</u>  |

The movement in equity shareholders' funds during the year is represented by the retained profit for the year.

The financial statements on pages 7 to 14 were approved by the Board on 26 February 2002 and signed on their behalf by:

  
**J S Ryan**  
 Director

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****CASH FLOW STATEMENT  
for the year ended 31 October 2001**

|                                                                                               | <i>2001</i><br>£ | <i>2000</i><br>£ |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Net cash (outflow) from operating activities</b>                                           | <u>(447,868)</u> | <u>(12,317)</u>  |
| <b>Returns on investment and servicing of finance:</b>                                        |                  |                  |
| Interest received                                                                             | <u>603,051</u>   | <u>23,388</u>    |
| <b>Net cash inflow from return on investments and servicing of finance</b>                    | 603,051          | 23,388           |
| <b>Taxation (paid)/received</b>                                                               | (28,051)         | -                |
| <b>Net cash outflow from capital expenditure and financial investments</b>                    | -                | -                |
| <b>Additions and disposals</b>                                                                |                  |                  |
| Bank overdraft taken over on acquisition of assets and liabilities of Kilquade                |                  | <u>(10,841)</u>  |
| <b>Net cash (outflow) from acquisitions and disposals</b>                                     | -                | <u>(10,841)</u>  |
| <b>Net cash inflow before financing</b>                                                       | <u>127,132</u>   | <u>230</u>       |
| <b>Financing</b>                                                                              | -                | -                |
| <b>Increase in cash</b>                                                                       | <u>127,132</u>   | <u>230</u>       |
| <b><u>Reconciliation of operating profit to net cash inflow from operating activities</u></b> |                  |                  |
| <b>Operating profit</b>                                                                       | 6,451,077        | 5,505,942        |
| (Increase) in debtors                                                                         | (6,982,218)      | (5,593,223)      |
| Increase in creditors                                                                         | 83,273           | 74,964           |
| <b>Net cash (outflow) from operating activities</b>                                           | <u>(447,868)</u> | <u>(12,317)</u>  |
| <b><u>Reconciliation of net cash flow to movement in net funds</u></b>                        |                  |                  |
| Increase in cash in the period                                                                | 127,132          | 230              |
| Net funds at 1 November 2000                                                                  | <u>205,392</u>   | <u>205,162</u>   |
| <b>Net funds at 31 October 2001</b>                                                           | <u>332,524</u>   | <u>205,392</u>   |

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2001**

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**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. The Company has adopted during the year, to the extent set out below, the requirements of the following new Financial Reporting Standard (FRS):

FRS 18: Accounting policies – The Company complies with this Standard which gives guidance relating to the selection, application and disclosure of accounting policies applied in the financial statements. The adoption of FRS 18 has had no material impact on the Company's accounts.

**Accounting convention**

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

**Turnover**

Turnover arising on departure date, comprises of sales less commission and discounts receivable by the Company in the ordinary course of business, net of Value Added Tax.

**Client Money Received**

Client money received at the balance sheet date relating to holidays commencing and flights departing after the year end is included in creditors.

**Foreign Currency Translation**

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date, except to the extent that foreign currency denominated liabilities are covered by forward exchange contracts when the applicable forward rate is used. The benefit of foreign exchange contracts purchased to cover future seasons' requirements is accounted for in the season to which such contracts relate. Profits and losses arising on trading and translation are dealt with through the profit and loss account.

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2001**

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**1. ACCOUNTING POLICIES (continued)****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.

**Pensions**

The Group operates a defined contribution pension scheme and charges are made to the Company for staff employed. Pension liabilities are charged to the profit and loss account as they fall due. The pension cost charge for the year ended 31 October 2001 was £66,542 (2000: £46,872).

**Related party transactions**

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

**Goodwill**

Goodwill arising in consolidation prior to the adoption, on 1 November 1999, of FRS 10 - Goodwill and Intangible Assets has been charged directly to reserves. The goodwill which has been taken directly to reserves will be charged to profit and loss account on disposal of the related business.

Fair value accounting adjustments are made in respect of acquisitions and these may be made on provisional estimates. Amendments may be made to those adjustments in the subsequent accounting period with a corresponding adjustment to goodwill in the light of post acquisition experience.

**2. EXCEPTIONAL ITEMS**

Exceptional costs relate to redundancy and reorganisation costs provided and incurred during the year.

**3. PROFIT ON ORDINARY ACTIVITIES**

The audit fees for the Company were paid by another Group company.

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2001****4. STAFF COSTS****2001****£**

|                       |              |
|-----------------------|--------------|
| Wages and salaries    | 1,692        |
| Social security costs | 151          |
| Pension costs         | 67           |
|                       | <u>1,910</u> |

**Staff Numbers****2001**

|                               |           |
|-------------------------------|-----------|
| Sales and Marketing           | 19        |
| Operational                   | 44        |
| Administration and Management | 23        |
|                               | <u>86</u> |

The Company had no employees during the prior year.

**Directors' Remuneration****2001****£****2000****£**

Directors' remuneration consists of:

|                                                                       |               |               |
|-----------------------------------------------------------------------|---------------|---------------|
| Emoluments (including pension contributions)                          | 464,843       | 222,509       |
| Emoluments of highest paid director (excluding pension contributions) | 117,610       | 116,684       |
| Pension contributions attributable to highest paid director           | <u>16,756</u> | <u>14,272</u> |

Retirement benefits are accruing to the following number of directors under:

**Number of Directors****2001****2000**

|                                |          |          |
|--------------------------------|----------|----------|
| Money purchase pension schemes | <u>7</u> | <u>4</u> |
|--------------------------------|----------|----------|

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2001****5. TAXATION**

|                                                      | <b>2001</b>      | <b>2000</b>      |
|------------------------------------------------------|------------------|------------------|
|                                                      | <b>£</b>         | <b>£</b>         |
| Eire corporation tax at 20% (UK 2000: 30%) based on: |                  |                  |
| - profit for the year                                | 1,521,573        | 1,658,714        |
| - (Over) provision for prior years                   | (19,612)         | (97)             |
| -deferred tax provision                              | 1,655            | (342)            |
|                                                      | <u>1,503,616</u> | <u>1,658,275</u> |

**6. DEBTORS**

|                                    | <b>2001</b>       | <b>2000</b>       |
|------------------------------------|-------------------|-------------------|
|                                    | <b>£</b>          | <b>£</b>          |
| Trade debtors                      | 628,945           | 697,599           |
| Deferred Tax (see note 8)          | -                 | 1,655             |
| Amount owed by fellow subsidiaries | 25,099,918        | 18,049,046        |
|                                    | <u>25,728,863</u> | <u>18,748,300</u> |

**7. CREDITORS - amounts falling due within one year**

|                       | <b>2001</b>      | <b>2000</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Client money received | 6,384,516        | 6,301,243        |
| Corporation Tax       | 1,493,522        | 19,612           |
|                       | <u>7,878,038</u> | <u>6,320,855</u> |

**8. DEFERRED TAXATION**

|                      | <b>2001</b> |
|----------------------|-------------|
|                      | <b>£</b>    |
| At 1 November 2000   | 1,655       |
| Provided in the year | (1,655)     |
| At 31 October 2001   | <u>-</u>    |

**9. SHARE CAPITAL**

|                                                                 | <b>2001</b>      | <b>2000</b>      |
|-----------------------------------------------------------------|------------------|------------------|
|                                                                 | <b>£</b>         | <b>£</b>         |
| <b>Authorised</b>                                               |                  |                  |
| 600,000 ordinary shares of £1 each                              | 600,000          | 600,000          |
| 615,000 8% cumulative preference shares of £1 each              | 615,000          | 615,000          |
|                                                                 | <u>1,215,000</u> | <u>1,215,000</u> |
| <b>Allotted, called up and fully paid</b>                       |                  |                  |
| 510,000 ordinary shares of £1 each – equity                     | 510,000          | 510,000          |
| 615,000 8% cumulative preference shares of £1 each - non equity | 615,000          | 615,000          |
|                                                                 | <u>1,125,000</u> | <u>1,125,000</u> |

**FALCON LEISURE GROUP (OVERSEAS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2001**

The preference shares may be redeemed by the holder at any time after the fifth anniversary of the allotment which took place on 8 October 1988 for 350,000 shares and on 23 October 1989 for the remaining 265,000 shares. The preference shares are redeemable at par plus a premium of 5% per annum calculated from the date of allotment to the date of redemption. No provision has been made for this premium as the shareholder has expressed its intention not to redeem its shares. The financing cost of the preference shares has not been accrued as the shareholder has foregone its right to preference dividends in the current and all preceding years.

**10. PROFIT AND LOSS ACCOUNT**

|                              | £                        |
|------------------------------|--------------------------|
| 1 November 2000              | 10,547,163               |
| Retained profit for the year | <u>5,550,512</u>         |
| 31 October 2001              | <u><u>16,097,675</u></u> |

**11. OTHER RESERVES**

Other reserves represent the goodwill on the acquisition of the business assets and liabilities of JWT Holidays Limited on 1 November 1997 for £1.

**12. ULTIMATE PARENT COMPANY**

First Choice Holidays PLC, a company registered in England, is the ultimate parent company. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Falcon Leisure Group (Overseas) Limited is a member and for which Group accounts are drawn up. Copies of those Group accounts are available from Company Secretary, First Choice Holidays PLC, First Choice House, London Road, Crawley, West Sussex, RH10 9GX.