

SYMI INVESTMENTS LIMITED

Directors' Report and Financial Statements

For the year ended 31 October 1998



Company Number 2458850

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1998

FINANCIAL STATEMENTS

The Directors present their report and financial statements of Symi Investments Limited for the year ended 31 October 1998.

PRINCIPAL ACTIVITY

The Company's principal activity is that of an investment company.

BUSINESS REVIEW, RESULTS AND DIVIDENDS

The profit after taxation for the year was £nil (1997: profit of £505,665). The Directors do not propose a dividend for the year ended 31 October 1998 (1997: £nil).

The profit transferred to reserves was £nil (1997: profit £505,665).

On 16 July 1998 the Company increased its authorised share capital by the creation of an additional 1,000,000 shares at £1 each. On the 16 July 1998 1,000,998 shares were allotted to Martin Rooks Limited increasing its share holding to 1,001,000 shares.

DIRECTORS AND THEIR INTERESTS

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

R J G Starling

P J Long

D Howell (appointed 5 January 1998)

Other directors who served during the year are:

L Moir (resigned 31 July 1998)

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

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1998

At 31 October 1998, the interests of the Directors in the share capital of First Choice Holidays PLC, the ultimate parent Company, were as follows:

	-----Shares-----			-----Options-----			-----Restricted Shares-----		
	31 October 1998	31 October 1997	31 October 1997	Rights issue entitlement	Granted	Exercised	31 October 1998	31 October 1998	31 October 1997
Ordinary Shares									
R J G Starling	12,710	5000	-	-	3,724	-	3,724	90,986	74,804

No options were exercised by the directors during the year.

	No. of shares	Option exercise price (p)	Date first exercisable
R J G Starling			
Restricted Share Plan	45,238	89.00	23 July 1999
Restricted Share Plan	32,474	89.00	16 December 2000
Restricted Share Plan	13,274	83.00	5 October 2001
Savings Related Share Option Scheme	3,724	116.00	1 November 2001

The interests of P J Long and D Howell are disclosed in the accounts of First Choice Holidays PLC.

Restricted shares have been restated to incorporate the Rights issue entitlement.

For full details of the above schemes, reference should be made to the Annual Report & 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.

YEAR 2000

The Company established a programme, in association with other group companies, to meet the challenge posed by the Year 2000 issue. This established a dedicated team to identify the risks arising due to Year 2000 and to formulate a strategy and procedures to ensure that such risks are minimised or eliminated as appropriate.

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1998

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.

AUDITORS

On 11 August 1997 a elective resolutions of the Company were passed 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



**D Howell
Director**

16th August 1999

REPORT OF THE AUDITOR
to the members of Symi Investments Limited
for the year ended 31 October 1998

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

Respective responsibilities of directors and auditors

As set out in the Directors' Report on page 3, 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 statements and to report our opinion to you.

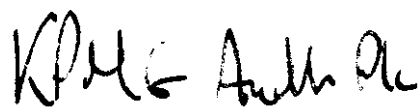
Basis of opinion

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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

 **August 1999**

SYMI INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 October 1998

	Note	Continuing Operations 1998 £	Continuing Operations 1997 £
Operating income		-	160,000
Operating profit		-	160,000
Profit on the sale of an investment	5	-	345,665
Profit and Loss account brought forward		(562,053)	(1,067,718)
Profit and Loss account carried forward		(562,053)	(562,053)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

SYMI INVESTMENTS LIMITED**BALANCE SHEET**
as at 31 October 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Investments	6	8,516,780	8,516,780
CURRENT ASSETS			
Debtors	7	3,355,725	2,354,727
CREDITORS: amounts falling due within one year	8	(11,433,558)	(11,433,558)
Net Current Liabilities		(8,077,833)	(9,078,831)
Net Liabilities		438,947	(562,051)
CAPITAL AND RESERVES			
Called up share capital	9	1,001,000	2
Profit and loss account		(562,053)	(562,053)
Equity Shareholders' funds		438,947	(562,051)

The financial statements on pages 5 to 10 were approved by the Board on 16th August 1999 and signed by on their behalf by:



D Howell
Director

SYMI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1998

1. ACCOUNTING POLICIES

Basis of preparation

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

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.

Cash flow

The company is exempt under Financial Reporting Standard No.1 (Revised) from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of First Choice Holidays PLC. First Choice Holidays PLC includes the Company's cash flow in its own published consolidated financial statements.

Related party transactions

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.

Group Financial Statements

The Company has not produced group financial statements because it is a wholly owned subsidiary undertaking of First Choice Holidays PLC.

Foreign Currencies

Monetary 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 covered by forward exchange contracts. Exchange gains and losses arising on trading and translation of monetary assets and liabilities are dealt with through the profit and loss account.

SYMI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1998

2. EMPLOYEES

The Company had no employees during the year (1997: nil).

3. DIRECTORS

The directors received no remuneration during the year (1997: £nil).

4. AUDITORS

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

5. NON-RECURRING ITEMS

	1998 £	1997 £
Profit on the sale of an investment	<u>-</u>	<u>345,665</u>

6. INVESTMENTS

	Ordinary Shares in Subsidiary Undertakings £
At 31 October 1997 and 31 October 1998	<u>8,516,780</u>

SYMI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 1998

Subsidiary Undertaking

Signature Vacations Inc. is a tour operator incorporated in Canada. At 31 October 1998 it had a issued share capital of 1,000,000 common voting stock (of \$1 each) and 17,967,000 non-voting convertible redeemable preference shares (of \$1 each). The principal country of operation of Signature Vacations Inc. is Canada and accounts are made up to 31 October.

At 31 October 1998, Symi Investments Limited held all of the preference shares of Signature Vacations Inc.

7. DEBTORS

	1998 £	1997 £
Amounts owed by subsidiary undertaking	8,686	8,686
Amounts owed by parent company	<u>3,347,039</u>	<u>2,346,041</u>
	<u>3,355,725</u>	<u>2,354,727</u>

8. CREDITORS : amounts falling due within one year

	1998 £	1997 £
Amounts due to parent company and fellow subsidiary undertakings	<u>11,433,558</u>	<u>11,433,558</u>

9. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
1,001,000 ordinary shares of £1 each	<u>1,001,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
2 ordinary shares of £1 each	<u>1,001,000</u>	<u>2</u>

SYMI INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 1998

12. ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary undertaking 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 Symi Investments 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 Holidays PLC, First Choice House, London Road, Crawley, West Sussex, RH10 2GX.