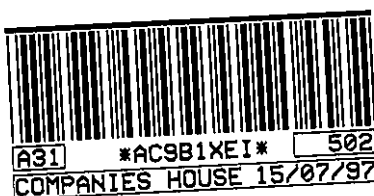


SYMI INVESTMENTS LIMITED

Directors' Report And Financial Statements

for the year ended 31 October 1996

Company Number 2458850



SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT for the year ended 31 October 1996

FINANCIAL STATEMENTS

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

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 £8,686 (1995: loss of £1,074,182). The Directors do not recommend a dividend (1995: £nil).

The profit transferred to reserves was £8,686 (1995: loss £1,074,182).

DIRECTORS AND THEIR INTERESTS

The Directors of the Company are:

R J G Starling	
P J Long	(appointed 11 November 1996)
L Moir	(appointed 3 February 1997)
F S K Baron	(resigned 11 November 1996)
M B Heald	(resigned 11 December 1995)
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.

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 1996

At 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 the Restricted Share Plan	Held	Held	Within the Restricted Share Plan	Held
R J G Starling	5,000	43,545	-	-	-	-

During the year R J G Starling was awarded 43,545 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 F S K Baron, D A Gill and P J Long in the shares of First Choice Holidays PLC are disclosed in the accounts of that company.

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.

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT for the year ended 31 October 1996

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.

SYMI INVESTMENTS 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 read 'R J G Starling', is written over the printed name.

R J G Starling
Secretary

26 June 1997

SYMI INVESTMENTS LIMITED

REPORT OF THE AUDITOR

**to the members of Symi Investments Limited
for the year ended 31 October 1996**

We have audited the financial statements on pages 6 to 11

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 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 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**

26 June 1997

SYMI INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 October 1996**

	Note	Continuing Activities 1996 £	Continuing Activities 1995 £
Loss on disposal of investments	7	-	(1,081,886)
Loss on ordinary activities before interest		-	(1,081,886)
Interest receivable	5	-	10,646
Tax	6	8,686	(2,942)
Retained profit/(loss) for the year		8,686	(1,074,182)
Profit and Loss account brought forward		(1,076,404)	(2,222)
Profit and Loss account carried forward		(1,067,718)	(1,076,404)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

HISTORIC COST PROFITS

There is no difference between the retained profit for the year stated above and the historical cost equivalent.

SYMI INVESTMENTS LIMITED

BALANCE SHEET as at 31 October 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Investments	7	<u>8,516,780</u>	<u>8,516,780</u>
CURRENT ASSETS			
Debtors	8	9,261	10,646
CREDITORS: amounts falling due within one year	9	<u>(9,593,757)</u>	<u>(9,603,828)</u>
Net Current Liabilities		<u>(9,584,496)</u>	<u>(9,593,182)</u>
Net Liabilities		<u>(1,067,716)</u>	<u>(1,076,402)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		<u>(1,067,718)</u>	<u>(1,076,404)</u>
Equity Shareholders' funds		<u>(1,067,716)</u>	<u>(1,076,402)</u>

SHAREHOLDERS' FUNDS

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

The financial statements on pages 6 to 11 were approved by the Board on²⁶ June 1997 and signed on their behalf by:



**P Long
Director**

SYMI INVESTMENTS 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 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.

Group financial statements

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

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.

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.

2. EMPLOYEES

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

3. DIRECTORS

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

SYMI INVESTMENTS LIMITED

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

4. AUDITORS

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

5. INTEREST RECEIVABLE

	1996	1995
	£	£
Interest receivable from subsidiary undertaking	<u>-</u>	<u>10,646</u>

6. TAXATION

	1996	1995
	£	£
Corporation tax at 33 % (1995: 33%) based on		
- current year profits	-	3,513
- over provision in previous years	<u>(8,686)</u>	<u>(571)</u>
	<u>(8,686)</u>	<u>2,942</u>

7. INVESTMENTS:

	Shares in Subsidiary undertaking £
At 1 November 1995 and 31 October 1996	<u>8,516,780</u>

Subsidiary Company

Signature Vacations Inc. is a tour operator incorporated in Canada with an 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). Signature Vacations Inc. principal country of operation is Canada and accounts are made up to 31 October.

At 31 October 1996, Symi Investments Limited held all of the preference shares of Signature Vacations Inc.

SYMI INVESTMENTS LIMITED

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

During the year ended 31 October 1995 all of the common shares of Signature Vacations Inc were sold to a fellow subsidiary undertaking. In addition, all the preference shares were redeemed at par and re issued.

The non-voting convertible redeemable preference shares may be converted on a one for one basis into common voting shares at any time.

8. DEBTORS

	1996	1995
	£	£
Amounts owed by subsidiary undertaking	8,686	10,646
Amounts owed by fellow subsidiary undertaking	575	-
	9,261	10,646

9. CREDITORS : amounts falling due during within one year

	1996	1995
	£	£
Amounts due to parent company and fellow subsidiary undertakings	9,593,757	9,603,828

10. CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, issued and fully paid		
2 ordinary shares of £1 each	2	2

SYMI INVESTMENTS LIMITED

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

11. 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 have been delivered to, and are available from, the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.