

SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

for the year ended  
31 October 1994

Company Number 2458850



**DIRECTORS' REPORT**  
**for the year ended 31 October 1994**

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**FINANCIAL STATEMENTS**

The Directors present their report and financial statements of Symi Investments Limited for the year ended 31 October 1994.

**PRINCIPAL ACTIVITIES**

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

**BUSINESS REVIEW, RESULTS AND DIVIDENDS**

On 9 February 1994, the company made a further investment in Akard Enterprises Limited trading as International Travel Holdings Inc. buying out the remaining common stock and preference shares that it did not already own. No amount was payable for the investment.

During the year International Travel Holdings' financial position has improved substantially. Therefore, the Directors consider it appropriate to write back the provision against the cost of the investment of £3.4 million.

The profit after taxation for the year was £3.7 million (1993: loss of £3.7 million). The Directors do not recommend a dividend (1993: £NIL), therefore a surplus of £3.7 million will be transferred to reserves.

**FIXED ASSETS**

Movements in fixed assets are disclosed in note 5 to the Accounts.

**DIRECTORS**

The Directors of the Company during the year were:

P Buckley	(appointed 31 March 1994)
M B Heald	(appointed 1 February 1994)
FSK Baron	(appointed 7 February 1994)
G G Stone	(resigned 17 November 1993)
T W Tullett	(appointed 17 November 1993 and resigned 31 March 1994)

**DIRECTORS' INSURANCE**

The ultimate parent company maintains insurance policies on behalf of all Directors of Symi Investments Limited against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

**DIRECTORS' REPORT**

for the year ended 31 October 1994 (continued)

**DIRECTORS' INTERESTS IN SHARES**

The Directors of the Company had no interest in the shares of the Company during the year.

The interests of Directors at the year end in the share capital of the ultimate parent company, First Choice Holidays PLC, were as follows:

Number of shares	31 October 1994			31 October 1993		
	Ordinary shares		Preference shares	Ordinary shares		Preference shares
	Held	Under option	Held	Held	Under option	Held
P Buckley	285,347	88,762	33,934	285,347	65,000	33,934

The interests of FSK Baron and MB Heald are disclosed in the accounts of First Choice Holidays PLC.

**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

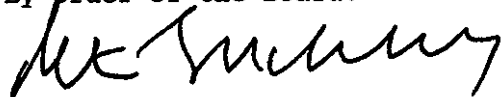
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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**

Our auditors, KPMG Peat Marwick, have informed us that they will practise under the name KPMG with effect from 6 February 1995. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board.



Peter Buckley  
Secretary

30 August 1995

**AUDITORS' REPORT**  
**to the members of Symi Investments Limited**

We have audited the financial statements on pages 4 to 8.

**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, 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**

**Chartered Accountants**  
**Registered Auditors**

**London**

**30 August, 1995**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 October 1994

	Notes	Continuing Operations 1994 £	Continuing Operations 1993 £
Other Operating income/(charges)		408,778	(411,000)
Exceptional items	3	<u>3,428,987</u>	<u>(3,428,987)</u>
<b>Profit/(Loss) on ordinary activities before taxation</b>		3,837,765	(3,839,987)
Tax on profit/(loss) on ordinary activities	4	<u>(135,630)</u>	<u>135,630</u>
<b>Retained profit/(loss) for the year</b>		3,702,135	(3,704,357)
<b>Profit and loss account brought forward</b>		<u>(3,704,357)</u>	<u>-</u>
<b>Profit and loss account carried forward</b>		<u>(2,222)</u>	<u>(3,704,357)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

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

**HISTORIC COST PROFITS**

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

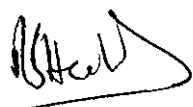
BALANCE SHEET  
as at 31 October 1994

	Notes	£	1994	£	£	1993	£
<b>FIXED ASSETS</b>							
Investments	5		9,598,666			5,208,754	
<b>CURRENT ASSETS</b>							
Debtors	6		-		429,296		
<b>CREDITORS: amounts falling due within one year</b>	7	(9,600,886)		(9,342,405)			
<b>Net Current Liabilities</b>			(9,600,886)			(8,913,109)	
<b>Net Liabilities</b>			<u>(2,220)</u>			<u>(3,704,355)</u>	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	9		2		2		
Profit and Loss account			(2,222)		(3,704,357)		
<b>Equity Shareholders' funds</b>			<u>(2,220)</u>		<u>(3,704,355)</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 4 to 8 were approved by the board on 30 August, 1995, and signed on their behalf by :



M B Heald

Director

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 1994

**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.

**Deferred taxation**

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

**2. PROFIT BEFORE TAXATION**

	1994 £	1993 £
Is stated after charging:		
Auditors remuneration	-	-
Directors remuneration	-	-
	<u>          </u>	<u>          </u>

**3. EXCEPTIONAL ITEMS**

	1994 £	1993 £
Write back provision for diminution in value of investment	3,428,987	-
Provision for diminution in value of associated company	-	(3,428,987)
	<u>          </u>	<u>          </u>

**4. TAXATION**

	1994 £	1993 £
Corporation tax at 33% (1993:33%) based on - current year profits	11,668	(11,668)
Deferred tax (see note 8)	123,962	(123,962)
	<u>135,630</u>	<u>(135,630)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 1994 (continued)

**5. INVESTMENTS**

	Associate £	Subsidiary £	Listed investment £	Total £
At 1 November 1993:				
At cost	8,627,657	-	10,084	8,637,741
Less: provision	(3,428,987)	-	-	(3,428,987)
At valuation	5,198,670	-	10,084	5,208,754
Addition	971,009	-	-	971,009
Disposals	-	-	(10,084)	(10,084)
Transfer to subsidiary	(6,169,679)	6,169,679	-	-
Reversal of provision	-	3,428,987	-	3,428,987
At cost at 31 October 1994	-	9,598,666	-	9,598,666

The listed investment redeemed in the year was Exchequer 13.5% stock 1994.

**Subsidiary Companies**

Akard Enterprises Limited trading as International Travel Holdings Inc. is a tour operator incorporated in Canada with an issued ordinary share capital of 1,000,000 common voting stock and 17,967,000 non-voting convertible redeemable preference shares. International Travel Holdings' principal country of operation is Canada and accounts are made up to 31 October. At 31 October 1994, Symi Investments Limited held all of the common stock and preference shares.

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

International Travel Holdings has a 50% subsidiary incorporated in Canada called DHI Investments Limited which is a tour operator.

**6. DEBTORS**

	1994 £	1993 £
Other debtors	-	293,666
Corporation tax	-	11,668
Deferred tax (see note 8)	-	123,962
	-	429,296

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

	1994 £	1993 £
Amount due to parent company	9,600,886	9,322,717
Other creditors	-	19,688
	9,600,886	9,342,405

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 October 1994 (continued)**

**8. DEFERRED TAXATION**

Deferred taxation provided and the total potential liability are as follows:

	Provided 1994 £	Provided 1993 £	Potential 1994 £	Potential 1993 £
Short-term timing differences	-	123,962	-	123,962

Deferred tax asset	£
At 1 November 1993	123,962
Movement in the year	(123,962)
At 31 October 1994	-

<b>9. CALLED UP SHARE CAPITAL</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**10. 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 those group accounts are available from, the Company Secretary, First Choice Holidays PLC, First Choice House, London Road, Crawley, West Sussex, RH10 2GX.