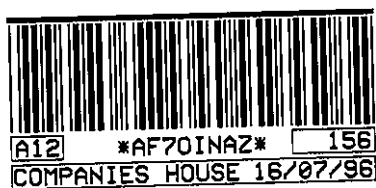


SYMI INVESTMENTS LIMITED

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

for the year ended  
31 October 1995



**DIRECTORS' REPORT**  
**for the year ended 31 October 1995**

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**FINANCIAL STATEMENTS**

The Directors present their report and financial statements of Symi Investments Limited for the year ended 31 October 1995.

**PRINCIPAL ACTIVITIES**

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

**BUSINESS REVIEW, RESULTS AND DIVIDENDS**

The loss after taxation for the year was £1,074,182 (1994: profit £3,702,135). The directors do not recommend a dividend (1994: £nil).

The loss transferred to reserves was £1,074,182 (1994: profit £3,702,135).

**FIXED ASSETS**

Movements in fixed assets are disclosed in note <sup>6</sup>4 to the Accounts.

**DIRECTORS AND THEIR INTERESTS**

The Directors of the Company during, or subsequent to, the year were:

P Buckley	(resigned 31 October 1995)
M B Heald	(resigned 11 December 1995)
D A Gill	(appointed 11 December 1995)
R J G Starling	(appointed 31 October 1995)
FSK Baron	

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

The interests of F S K Baron and M B Heald are disclosed in the accounts of First Choice Holidays PLC. R J G Starling did not have any interests in the shares or share options of First Choice Holidays PLC.

**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 1995 (continued)

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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 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.

By order of the Board



R J G Starling  
Secretary

7TH JULY 1996

**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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

KPMG  
Chartered Accountants  
Registered Auditors  
London

*10 July* 1996

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 October 1995

	Notes	Continuing Operations 1995 £	Continuing Operations 1994 £
Other Operating income		-	408,778
Loss on disposal of investment	6	(1,081,886)	-
Writeback of provision for diminution in value of investment		-	3,428,987
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before interest		(1,081,886)	3,837,765
Interest receivable	4	10,646	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(1,071,240)	3,837,765
Tax on (loss)/profit on ordinary activities	5	(2,942)	(135,630)
		<hr/>	<hr/>
Retained (loss)/profit for the year		(1,074,182)	3,702,135
Profit and loss account brought forward		(2,222)	(3,704,357)
		<hr/>	<hr/>
Profit and loss account carried forward		(1,076,404)	(2,222)
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

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

BALANCE SHEET  
as at 31 October 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Investments	6	8,516,780	9,598,666
<b>CURRENT ASSETS</b>			
Debtors	7	10,646	-
CREDITORS: amounts falling due within one year	8	(9,603,828)	(9,600,886)
Net Current Liabilities		(9,593,182)	(9,600,886)
Net Liabilities		(1,076,402)	(2,220)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Profit and Loss account		(1,076,404)	(2,222)
Equity Shareholders' funds		(1,076,402)	(2,220)

## SHAREHOLDERS' FUNDS

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

The financial statements on pages 4 to 8 were approved by the board on 7<sup>TH</sup> JULY 1996 and signed on their behalf by:



D A Gill

Director

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 1995

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**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 company of another 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 (1994: nil).

**3. DIRECTORS**

The directors received no remuneration during the year (1994: £nil).

**4. INTEREST RECEIVABLE**

	1995	1994
Interest receivable from subsidiary undertaking	10,646	-
	<u>          </u>	<u>          </u>

**5. TAXATION**

	1995 £	1994 £
Corporation tax at 33% (1994:33%) based on		
- current year profits	3,513	11,668
- over provision in previous years	(571)	-
Deferred tax	-	123,962
	<u>2,942</u>	<u>135,630</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 1995 (continued)

## 6. INVESTMENTS

	Shares in subsidiary undertaking £
At 1 November 1994	9,598,666
Disposal	(9,598,666)
Additions	8,516,780
At 31 October, 1995	<u>8,516,780</u>

## Subsidiary Company

Signature Vacations Inc. (formerly Akard Enterprises Limited) 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 1995, Symi Investments Limited held all of the preference shares of Signature Vacations Inc. During the year all the preference shares were redeemed at par and subsequently reissued. In addition, during the year the Company sold to a fellow subsidiary company all of the common shares of Signature Vacations Inc.

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

7. DEBTORS: all receivable within one year:	1995 £	1994 £
Amounts owed by subsidiary undertaking	10,646	-
	<u>          </u>	<u>          </u>
8. CREDITORS: amounts falling due within one year:	1995 £	1994 £
Amounts due to parent company and fellow subsidiary undertakings	9,603,828	9,600,886
	<u>          </u>	<u>          </u>



NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 1995 (continued)

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9. CALLED UP SHARE CAPITAL	1995 £	1994 £
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 have been delivered to, and are available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.