

**TEXT ABROAD HOLIDAYS LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

**for the year ended
31 October 2006**



Company Number 3931005

TEXT ABROAD HOLIDAYS LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ending 31 October 2006**

	Page
Company Information	3
Report of the Directors	4-5
Directors' Responsibilities	6
Independent Auditor's report	7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10-15

TEXT ABROAD HOLIDAYS LIMITED

COMPANY INFORMATION
for the year ending 31 October 2006

DIRECTORS:

Patrick Ryan
Ian David Simmonds
Daniel Townsley

SECRETARY:

Joyce Walter

REGISTERED OFFICE:

First Choice House
London Road
Crawley
West Sussex
RH10 9GX

REGISTERED NUMBER

3931005 (England and Wales)

AUDITORS:

KPMG Audit Plc
1 Puddle Dock
London
EC4V 3PD

TEXT ABROAD HOLIDAYS LIMITED

DIRECTORS' REPORT for year ended 31 October 2006

The Directors present their report and financial statements of Text Abroad Holidays Limited for the year ended 31 October 2006

PRINCIPAL ACTIVITY

The principal activity of the Company in the year was that of a travel agency

RESULTS AND DIVIDENDS

The profit for the year after tax was £238,465 (2005 loss £9,782) The Directors do not propose the payment of a dividend (2005 nil)

BUSINESS REVIEW

The Company has met the requirements in the Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year and at the date of this report are

P Ryan
I D Simmonds
D R Townsley

The director's interests in the shares of the Company as at 31 October 2006 were as follows

	Ordinary Shares of £1 each	
	31 October 2006	**31 October 2005
D R Townsley	18	18

On 1 November 2005 D R Townsley transferred 8 of his shares in the Company and remained the beneficial holder of 10 Ordinary shares of £1 each and on 1 November 2006 he transferred his remaining shareholding of 10 Ordinary shares of £1 each in the Company From that date he ceased to have any beneficial interest in the shares of the Company

No other directors had any beneficial interest in the shares of the Company at any time during the period

POLICY AND PRACTICE ON PAYMENT OF SUPPLIERS

It is the Company policy that payments to suppliers, whether in advance or after the provision of the goods and services, are made on the basis of the terms that have been agreed with them

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 At the year end, the number of creditor days outstanding was 27 (2005 29)

DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

TEXT ABROAD HOLIDAYS LIMITED

DIRECTORS' REPORT (continued)
for year ended 31 October 2006

DIRECTORS' INSURANCE

The Joint Venture parent companies maintain insurance policies on behalf of all the Directors of the Company against liability arising from negligence, breach of duty of trust in relation to the Company

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



Patrick Ryan
Managing Director

Dated 10 August 2007

TEXT ABROAD HOLIDAYS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
for year ended 31 October 2006

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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

Under applicable law the directors are responsible for preparing a Directors' Report that complies with that law

INDEPENDENT AUDITOR'S REPORT
To the members of TEXT ABROAD HOLIDAYS LIMITED

We have audited the financial statements of Text Abroad Holidays Limited for the year ended 31 October 2006, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
LONDON

Date: 15 August 2007

TEXT ABROAD HOLIDAYS LIMITED**PROFIT AND LOSS ACCOUNT
for year ended 31 October 2006**

	<i>Note</i>	Year to 31 October 2006 £	Year to 31 October 2005 £
Turnover	1	1,537,653	720,114
Administrative expenses		<u>(1,196,382)</u>	<u>(735,162)</u>
Operating profit / (loss)		341,271	(15,048)
Net interest payable	2	<u>-</u>	<u>(65)</u>
Profit / (loss) on ordinary activities before tax	3	341,271	(15,113)
Taxation on profit / (loss) on ordinary activities	5	<u>(102,806)</u>	<u>5,331</u>
Profit / (loss) for the financial year		<u>238,465</u>	<u>(9,782)</u>

The above results were derived solely from continuing activities

The Company has no other recognised gains or losses for the period

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

TEXT ABROAD HOLIDAYS LIMITED**BALANCE SHEET**
as at 31 October 2006

	Notes	31 October 2006 £	31 October 2005 £
FIXED ASSETS			
Tangible assets	6	37,501	50,755
CURRENT ASSETS			
Debtors	7	426,535	116,537
Cash at bank and in hand		211,193	30,227
		637,728	146,764
CREDITORS amounts falling due within one year	8	(356,180)	(119,066)
NET CURRENT ASSETS		281,548	27,698
TOTAL ASSETS LESS CURRENT LIABILITIES		319,049	78,453
PROVISIONS FOR LIABILITIES AND CHARGES	9	(3,295)	(1,164)
NET ASSETS		315,754	77,289
CAPITAL AND RESERVES			
Called up share capital	10	150	150
Profit and loss account	11	315,604	77,139
SHAREHOLDERS' FUNDS		315,754	77,289

The movement in equity shareholders' funds during the period is represented by the profit / (loss) for the financial year

The financial statements on pages 8 to 15 were approved by the Board and were signed on their behalf by



Patrick Ryan
Managing Director

Dated 10 August 2007

TEXT ABROAD HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 October 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

New Financial Reporting Standards

In these financial statements, the following new Financial Reporting Standards have been adopted for the first time

FRS 21 Events after the balance sheet date

Under FRS 21 dividends are recorded as liabilities in the period in which they are approved. Under UK GAAP dividends were previously recorded when proposed. As the Company has not paid an equity dividend in the last two financial years, the adoption of FRS 21 has had no impact on this year's financial statements

FRS 25 Financial instruments – presentation and disclosure

The presentation requirements of FRS 25 are applicable within these financial statements. Equity dividends are debited directly to equity. The presentational requirements of this new standard have not otherwise impacted these financial statements

FRS 28 Corresponding amounts

This has no effect because it comprises the same requirements for comparative information as previously required by the Companies Act 1985

Cash Flow Statement

The Company is exempt under Financial Reporting Standard No 1 (Revised) from the requirement to prepare a cashflow statement as it meets the definition of a small company

Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Turnover is recognised once the final balance has been paid by the passenger

Operating Leases

Rentals payable and receivable under operating leases are charged or credited to the profit and loss account on a straight line basis over the period of the lease or on another systematic basis, if this is more representative of the time pattern of the benefit from the leased asset

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 15% on reducing balance
Computer Equipment	- 33% straight line

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not discounted

TEXT ABROAD HOLIDAYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 October 2006****2. INTEREST PAYABLE**

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
Bank Interest	-	65

3 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
The profit / (loss) before taxation is stated after charging		
Depreciation - owned assets	13,454	10,566
Operating lease costs (rent and equipment hire)	24,976	29,122
Auditors' remuneration		
Audit of these financial statements	10,000	10,000

Auditors' remuneration for the financial year is borne by the parent company. The disclosure of other auditors' remuneration can be found in the accounts of the parent company, Sunshine Cruises Limited.

4 STAFF COSTS

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
Wages and salaries	306,565	203,660
Social security costs	30,040	18,751
	336,605	222,411

Staff Numbers

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number	Number
Sales	12	8
Administration and Management	4	3
	16	11

Directors' Remuneration.

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
Directors' remuneration consists of		
Emoluments (including pension contributions)	34,000	43,000

No pension contributions were paid in the period by the Company to any of the directors

TEXT ABROAD HOLIDAYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 October 2006****5. TAXATION**

The tax charge in the 31 October 2006 accounts is

(i) Analysis of charge / (credit) in the year

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
Current tax		
UK corporation tax on profits for the year	103,766	-
Adjustments in respect of prior years	(3,091)	(2,161)
Total current tax	100,675	(2,161)
Deferred tax		
Origination and reversal of timing differences		
- current period	(1,384)	(3,170)
- adjustment in respect of prior years	3,515	-
Total deferred tax (see Note 9)	2,131	(3,170)
Tax on profit / (loss) on ordinary activities	102,806	(5,331)

(ii) Factors affecting the tax charge / (credit) for the year

The tax charge (2005 credit) is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	Year Ended 31 October 2006 £	Year Ended 31 October 2005 £
Profit / (Loss) on ordinary activities before tax	341,271	(15,113)
Profit / (Loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 30%)	102,381	(4,534)
Effects of		
- Capital allowances for the year less than depreciation	1,385	3,170
- Non utilisation of tax losses	-	1,364
- Adjustments in respect of previous years	(3,091)	(2,161)
Current tax charge / (credit) for the year	100,675	(2,161)

TEXT ABROAD HOLIDAYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 October 2006****6 TANGIBLE FIXED ASSETS**

	Fixtures And Fittings £	Computer Equipment £	Total £
COST:			
At 1 November 2005	51,632	23,495	75,127
Additions	200	-	200
At 31 October 2006	51,832	23,495	75,327
DEPRECIATION.			
At 1 November 2005	19,953	4,419	24,372
Charge for the year	5,664	7,790	13,454
At 31 October 2006	25,617	12,209	37,826
NET BOOK VALUE:			
At 31 October 2006	26,215	11,286	37,501
At 31 October 2005	31,679	19,076	50,755

7. DEBTORS

	2006 £	2005 £
Trade debtors	195,144	40,520
Other debtors	168,918	23,022
Amounts due from parent undertaking (note 13)	21,975	33,328
Amounts due from joint venture undertakings (note 13)	22,328	6,888
Prepayments & accrued income	18,170	12,779
	<u>426,535</u>	<u>116,537</u>

**8. CREDITORS AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade creditors	62,569	39,222
Other creditors	45,396	45,559
Social security & other taxes	10,109	11,763
Amounts due to parent company (note 13)	130,000	-
Taxation	103,764	-
Accrued expenses	4,342	22,522
	<u>356,180</u>	<u>119,066</u>

TEXT ABROAD HOLIDAYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 October 2006****9 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred Taxation £
As at 1 November 2005	1,164
Provided in the year	<u>2,131</u>
As at 31 October 2006	<u>3,295</u>

The net deferred tax position at 31 October 2006 is as follows

	2006 £	2005 £
Accelerated capital allowances	<u>3,295</u>	<u>1,164</u>

10. CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal Value	2006 £	2005 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted and issued Number	Class	Nominal Value	2006 £	2005 £
150	Share capital	£1	<u>150</u>	<u>150</u>

On 1 November 2005, Sunshine Cruises Limited acquired a further 8 ordinary shares of the Company from D R Townsley, a Director

On 1 November 2006 Sunshine Cruises Limited exercised its option to acquire the remaining 25% of the share capital of the Company by acquiring a further 37 ordinary shares including 10 from D R Townsley, a Director

11 PROFIT AND LOSS ACCOUNT

	£
As at 1 November 2005	77,139
Profit for the financial year	<u>238,465</u>
As at 31 October 2006	<u>315,604</u>

TEXT ABROAD HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for year ended 31 October 2006**

12 OPERATING LEASE COMMITMENTS

	2006 £	2005 £
Annual commitment under non-cancellable operating leases expiring within Two to five years	<u>21,650</u>	<u>29,122</u>

13 RELATED PARTY TRANSACTIONS

The Company received agency commission of £570,699 from Sunshine Cruises Limited during the year (period ended 31 October 2005 £330,000) and was owed £21,975 at the period end (2005 £33,328). In addition the Company owed Sunshine Cruises Limited £130,000 (2005 £nil) in respect of short term loans. At the period end, the Company is owed £22,328 (2005 £6,888) from Royal Caribbean Cruises Ltd, a joint venture partner in Sunshine Cruises Limited (see note 14). Included in other creditors are dividends of £nil (2005 £14,395) yet to be paid to D R Townsley (a director of the company).

14. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Sunshine Cruises Limited, a joint venture between First Choice Holidays PLC and Royal Caribbean Cruises Ltd. Sunshine Cruises Limited consolidates the profits or losses and assets or liabilities into its accounts.

The latest financial statements of Sunshine Cruises Limited are available from the Company Secretary, Sunshine Cruises Limited, First Choice House, London Road, Crawley, West Sussex, RH10 9GX.