

# **MARAHEATH LIMITED**

## **Directors' Report and Financial Statements**

**For the year ended 31 October 2004**



**Company Number 4002549**

## **MARAHEATH LIMITED**

### **DIRECTORS' REPORT for the year ended 31 October 2004**

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#### **FINANCIAL STATEMENTS**

The Directors present their annual report and the audited financial statements of Maraheath Limited for the year ended 31 October 2004.

#### **PRINCIPAL ACTIVITY**

The Company is the holding company of Citalia Holidays Limited and owns its entire issued share capital.

#### **RESULTS AND DIVIDENDS**

The profit on ordinary activities before tax for the period was £345 (2003: £370). No dividends were paid or proposed during the period.

#### **DIRECTORS AND THEIR INTERESTS**

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

D Blastland  
P J Long

Mr C De Simone resigned on 31 March 2004

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

The interests of P J Long and D Blastland are disclosed in the Annual Report and Accounts of the ultimate parent company First Choice Holidays PLC.

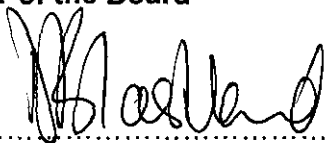
#### **DIRECTORS' INSURANCE**

The ultimate parent company maintains insurance policies on behalf of all the Directors of the Company against liability arising from negligence, breach of duty and breach 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**



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**Dermot Blastland**  
Director

Dated: 2 August 005

## **MARAHEATH LIMITED**

### **DIRECTORS' REPORT for the year ended 31 October 2004**

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#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and 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.



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United Kingdom

## **Independent auditor's report to the members of Maraheath Limited**

We have audited the financial statements on pages 4 to 10.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

### **Basis of audit 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 2004 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

2 August 2005

**MARAHEATH LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 October 2004**

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	Notes	2004 £	2003 £
Interest receivable	4	<u>345</u>	<u>370</u>
<b>Profit on ordinary activities before taxation</b>		<b>345</b>	<b>370</b>
Taxation on profit on ordinary activities	5	<u>43</u>	<u>(111)</u>
<b>Retained profit on ordinary activities after taxation</b>		<b><u>388</u></b>	<b><u>259</u></b>

There were no recognised gains or losses other than the profit for the financial period.

All results relate to continuing operations.

**MARAHEATH LIMITED****BALANCE SHEET**  
**At 31 October 2004**

		2004	2003
	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	6	<u>20,500,000</u>	<u>20,500,000</u>
<b>CURRENT ASSETS</b>			
Cash at Bank		<u>26,825</u>	<u>26,333</u>
CREDITORS: Amounts falling due within one year	7	<u>(3,600,504)</u>	<u>(3,600,400)</u>
Net Current Liabilities		<u>(3,573,679)</u>	<u>(3,574,067)</u>
<b>NET ASSETS</b>		<u>16,926,321</u>	<u>16,925,933</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	100,000	100,000
Share premium	9	16,225,000	16,225,000
Profit and loss account	9	<u>601,321</u>	<u>600,933</u>
<b>Equity shareholders' funds</b>		<u>16,926,321</u>	<u>16,925,933</u>

These financial statements were approved by the board of directors on 2 August 2005 and were signed on its behalf by:



**Dermot Blastland**  
Director

## **MARAHEATH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 October 2004**

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#### **1. ACCOUNTING POLICIES**

##### **Basis of preparation**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

##### **Accounting convention**

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

##### **Group financial statements**

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

##### **Cash flow statement**

The Company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of First Choice Holidays PLC and its cashflows are included within the consolidated cashflow statement of the group.

##### **Investments**

Investments are stated at cost, less provision for permanent diminution in value.

##### **Going concern**

At 31 October 2004 the Company had net current liabilities. The directors of the parent company, First Choice Holidays PLC have confirmed their intention to make continued financial support available to enable the company to meet liabilities as they fall due. As a result the financial statements have been prepared on a going concern basis.

##### **Deferred taxation**

Except as otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods different from their inclusion in the financial statements.

#### **2. AUDITORS**

The Auditor's remuneration was borne by a fellow subsidiary undertaking.

## **MARAHEATH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 October 2004**

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#### **3. DIRECTORS**

The directors received no remuneration during the year from the company (2003: £nil).

#### **4. INTEREST RECEIVABLE**

	2004 £	2003 £
Interest received	<u>345</u>	<u>370</u>

#### **5. TAXATION**

The tax charge in the 31 October 2004 accounts can be summarised as follows:

##### **Tax on profit of ordinary activities:**

##### **(i) Analysis of charge in year**

	2004 £	2003 £
Current tax:		
UK corporation tax on profits of the year	104	111
Adjustment in respect of prior years	(147)	-
Total current tax	<u>(43)</u>	<u>111</u>

There is no deferred tax charge/credit during the year (2003: £nil)



**MARAHEATH LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 October 2004****(ii) Factors affecting tax charge for year**

The tax charge for the year is equal to the standard rate of corporation in the UK (30%).

	2004 £	2003 £
Profit on ordinary activities before tax	<u>345</u>	<u>370</u>
Profit on ordinary activities at the standard rate of UK corporation tax of 30% (2002:30%)	104	111
Effects of: adjustments to tax charge in respect of prior periods	<u>(147)</u>	<u>-</u>
Current tax charge for year	<u>(43)</u>	<u>111</u>

**6. INVESTMENTS**

£

Cost as at 1 November 2003 and  
31 October 2004

20,500,000**Subsidiary Undertakings**

Principal subsidiary	operating	% held	Nature of business	Country of registration/ Incorporation
Citalia Holidays Limited		100	Tour operator	England & Wales

**MARAHEATH LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 October 2004****7. CREDITORS: amounts falling due within one year**

	2004 £	2003 £
Amounts owed to subsidiary undertaking (see note 10)	3,350,142	3,350,142
Group relief	362	258
Amounts owed to parent company	<u>250,000</u>	<u>250,000</u>
	<u>3,600,504</u>	<u>3,600,400</u>

**8. SHARE CAPITAL**

	2004 £	2003 £
<b>Authorised</b> 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Authorised and fully paid</b> 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**9. EQUITY SHAREHOLDERS' FUNDS**

	Share Capital £	Share Premium £	Profit and loss account £	Total £
At 1 November 2003	100,000	16,225,000	600,933	16,925,933
Retained profit for the year	<u>-</u>	<u>-</u>	<u>388</u>	<u>388</u>
<b>At 31 October 2004</b>	<u>100,000</u>	<u>16,225,000</u>	<u>601,321</u>	<u>16,926,321</u>

## **MARAHEATH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **For the year ended 31 October 2004**

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#### **10. RELATED PARTY TRANSACTIONS**

Acquisition costs incurred by the Company in 2001 of £250,000 in respect of the investment in Citalia Holidays Limited were funded by First Choice Holidays PLC and are disclosed in the financial statements as amounts owed to parent company. There is a loan outstanding at 31 October 2004 to Citalia Holidays Limited for the sum of £3,350,142.

#### **11. ULTIMATE PARENT COMPANY**

First Choice Holidays PLC, a company registered in England and Wales, is the ultimate parent company. First Choice Holidays PLC is the parent undertaking of the largest and smallest group of which Maraheath 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 9GX.