

**PLATINUM TRAVEL INTERNATIONAL
LIMITED**

Report and Financial Statements

31 December 1994

**Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1994

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**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1994, which show the state of the affairs of the company.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company's principal activity during the year was that of travel agents.

The directors remain optimistic about the company's future prospects.

RESULTS

The company made a profit before taxation of £36,204 for the year (1993 - loss £55,322).

DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not recommend the payment of a dividend (1993 - £40,000). The retained profit for the financial year dividends of £36,204 (1993 - deficit £95,322) has been transferred to reserves.

DIRECTORS

The directors who served during the year were as follows:

AJ Taylor
E Strom
MD Miller

None of the directors had any beneficial interests in the share capital of the company during the year.

Messrs AJ Taylor and MD Miller are directors of the ultimate parent company, The Sanctuary Group plc. Details of their shareholdings in that company are disclosed in its annual report.

FIXED ASSETS

The changes in fixed assets are shown in note 9 to the financial statements.

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M D Miller

Director

28 June 1995

**STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company 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;
- prepare the financial statements on a 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS OF

PLATINUM TRAVEL INTERNATIONAL LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

28 June 1995


PROFIT AND LOSS ACCOUNT
Year ended 31 December 1994

	Note	1994 £	1993 £
TURNOVER - continuing operations	2	2,468,892	2,605,905
Cost of sales		(2,181,126)	(2,380,140)
Gross profit		287,766	225,765
Administrative expenses		(240,451)	(284,411)
Other interest receivable and similar income		-	3,324
Interest payable and similar charges	3	(11,111)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION - continuing operations	4	36,204	(55,322)
Tax on profit/(loss) on ordinary activities	7	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		36,204	(55,322)
Dividend	8	-	(40,000)
Surplus/(deficit) transferred to/(from) reserves	13	36,204	(95,322)

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

There has been no movement in shareholders' funds other than the surplus for the financial year and deficit for the preceding financial year.



BALANCE SHEET
31 December 1994

	Note	£	1994 £	£	1993 £
FIXED ASSETS					
Tangible assets	9		29,812		33,580
CURRENT ASSETS					
Debtors	10	395,439		277,163	
Cash at bank and in hand		601		1,459	
			<u>396,040</u>	<u>278,622</u>	
CREDITORS: amounts falling due within one year	11	425,247		347,801	
NET CURRENT LIABILITIES			<u>(29,207)</u>		<u>(69,179)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>605</u>		<u>(35,599)</u>
CAPITAL AND RESERVES					
Called up share capital	12		20,000		20,000
Profit and loss account	13		<u>(19,395)</u>		<u>(55,599)</u>
			<u>605</u>		<u>(35,599)</u>
Non Equity Shareholders' funds			6,000		6,000
Equity Shareholders' funds			<u>(5,395)</u>		<u>(41,599)</u>

These financial statements were approved by the Board of Directors on 28 June 1995.

Signed on behalf of the Board of Directors

M D Miller

Director



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1994

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts billed to customers and commissions receivable.

Depreciation

Fixed assets are depreciated on a straight line basis to write off their cost over their estimated useful lives as follows:

Short leasehold improvements	Over the term of the lease
Fixtures and fittings	10% per annum
Computer equipment	20% per annum
Motor vehicles	25% per annum

Deferred taxation

Deferred taxation is provided at anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Translation of foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

The company operates a defined contribution scheme and company contributions are charged to the profit and loss account as incurred. The charge for the year is shown in note 5 to the financial statements.

Operating leases

Rental costs under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

The turnover arises from only one class of business and is derived wholly within the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1994 £	1993 £
Bank interest	11,111	-


NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994
4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994 £	1993 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation	14,544	13,692
Auditors' remuneration	2,500	4,500
Operating lease rentals		
- land and building	30,345	30,345
- plant and machinery	-	9,054
	<u> </u>	<u> </u>

5. STAFF COSTS

	1994 £	1993 £
All employees including executive directors:		
Wages and salaries	103,301	117,038
Social security costs	10,307	11,791
Other pension costs	3,923	4,318
	<u> </u>	<u> </u>
	117,531	133,147
	<u> </u>	<u> </u>
	No.	No.
The average number of persons employed by the company was:		
Sales	3	3
Administration	2	3
	<u> </u>	<u> </u>
	5	6
	<u> </u>	<u> </u>

6. DIRECTORS' REMUNERATION

	1994 £	1993 £
Emoluments	38,876	40,051
	<u> </u>	<u> </u>
Emoluments, excluding pension contributions, of: Highest paid director	36,828	38,003
	<u> </u>	<u> </u>
Chairman	-	-
	<u> </u>	<u> </u>

The other directors received no emoluments in either year.


NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994
7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

There is no charge to taxation in view of the losses brought forward.

8. DIVIDEND

	1994 £	1993 £
Interim dividend paid	-	40,000

9. TANGIBLE ASSETS

	Short leasehold improve- ments £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1 January 1994	30,959	53,579	22,723	5,097	112,358
Additions	-	-	-	10,786	10,786
At 31 December 1994	30,959	53,579	22,723	15,883	123,144
Depreciation:					
At 1 January 1994	15,006	42,694	18,263	2,825	78,788
Charge for year	4,092	5,100	3,996	1,356	14,544
At 31 December 1994	19,098	47,794	22,259	4,181	93,332
Net book value:					
At 31 December 1994	11,861	5,785	464	11,702	29,812
At 31 December 1993	15,953	10,885	4,460	2,272	33,570

10. DEBTORS

	1994 £	1993 £
Amounts falling due within one year:		
Trade debtors	270,267	254,087
Amounts owed by parent company and fellow subsidiaries	79,482	10,570
Other debtors	32,408	5,995
Prepayments and accrued income	13,282	6,511
	395,439	277,163



NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

11. CREDITORS: amounts falling due within one year

	1994 £	1993 £
Bank loans and overdrafts	86,471	99,913
Trade creditors	317,147	227,510
Taxation and social security	9,050	6,516
Accruals and deferred income	12,579	13,862
	<u>425,247</u>	<u>347,801</u>

The bank loans and overdrafts are secured by a fixed and floating charge on the assets of the company.

12. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised, allotted and fully paid:		
6,000 6% redeemable preference shares of £1 each	6,000	6,000
5,000 deferred shares of £1 each	5,000	5,000
20,000 ordinary shares of 10p each	2,000	2,000
7,000 ordinary shares of £1 each	7,000	7,000
	<u>20,000</u>	<u>20,000</u>

The preference shares may be redeemed by the company at any future date after giving three months notice and would be redeemable at par value.

13. PROFIT AND LOSS ACCOUNT

	£
At 1 January 1994	(55,599)
Profit for the year	<u>36,204</u>
At 31 December 1994	<u>(19,395)</u>

14. CONTINGENT LIABILITIES

The company, together with certain fellow subsidiaries, has guaranteed a loan made to its immediate parent company, Sanctuary Services Limited. At 31 December 1994 the loan amounted to £1,000,000.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1994

15. LEASE COMMITMENTS

At the balance sheet date the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings £	Motor vehicles and office equipment £
Operating leases which expire:		
Under one year	-	376
Within two to five years	30,345	2,964
	<u>30,345</u>	<u>2,964</u>

16. ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent company at 31 December 1994 was The Sanctuary Group plc, a company registered in England and Wales.

Copies of the group financial statements of The Sanctuary Group plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.